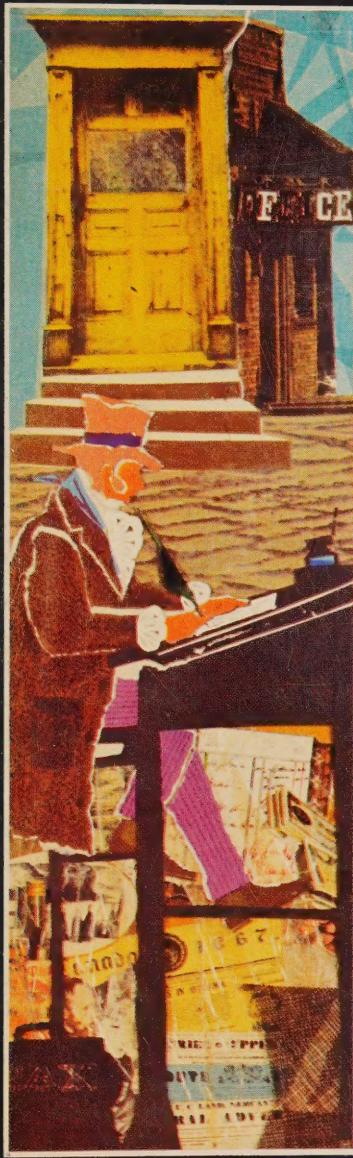


THIRTY-TWO MILLION DOLLARS A DAY

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...the average gross collections per working day

Government
Publications

CAINR 68
-70T94



NEW HEAD OFFICE AND DATA CENTRE BUILDINGS / CONFEDERATION HEIGHTS / OTTAWA

Canada, Taxation division

General publications

[6-4] Thirty - two million dollars a day



The figures used throughout this book are not necessarily the latest. They are offered primarily to illustrate the various activities of Taxation, not to provide statistical information.

THIRTY-TWO MILLION DOLLARS A DAY
THIRTY-TWO MILLION DOLLARS A DAY

Highlights 1968

1967 returns from

individuals 8,159,000

1967 returns from

corporations 199,000

Fiscal year 1967-68 collections:

	GROSS IN MILLIONS	NET* IN MILLIONS
Individual Tax +		
CPP Contributions	\$5,645.0	\$5,251.1
Corporation Tax	2,089.7	1,987.5
Non-Resident Tax	222.7	220.5
Estate Tax	106.5	102.2
Special Refundable Tax	50.6	39.1
	<hr/> \$8,114.5	<hr/> \$7,600.4

Cost to collect \$1.00 in tax, excluding
Canada Pension Plan revenues and
costs charged to the Plan:

Fiscal year 1967-68 84 cents

* Balance after refunds deducted.

To:

The Honourable Jean-Pierre Côté, P.C., M.P.,
Minister of National Revenue

From

David H. Sheppard
Deputy Minister, Taxation

DEPARTMENT OF NATIONAL REVENUE

OFFICE OF THE DEPUTY MINISTER FOR TAXATION
444 SUSSEX DRIVE
OTTAWA 2, ONTARIO



MINISTÈRE DU REVENU NATIONAL

CABINET DU SOUS-MINISTRE (IMPÔT)
444 PROMENADE SUSSEX
OTTAWA 2, ONTARIO

Ottawa 2, Ontario
February, 1970

To:
The Honourable Jean-Pierre Côté, P.C., M.P.
Minister of National Revenue
House of Commons
Ottawa, Ontario

Sir:

During the past two years major changes have been made in both the management structure of National Revenue, Taxation, and in the methods and procedures used in collecting income taxes.

Our Head Office has been completely reorganized and operations in our 29 District Offices are now under study. In addition, the installation of a third computer last year has enabled us to schedule many tasks which previously were not within our capabilities.

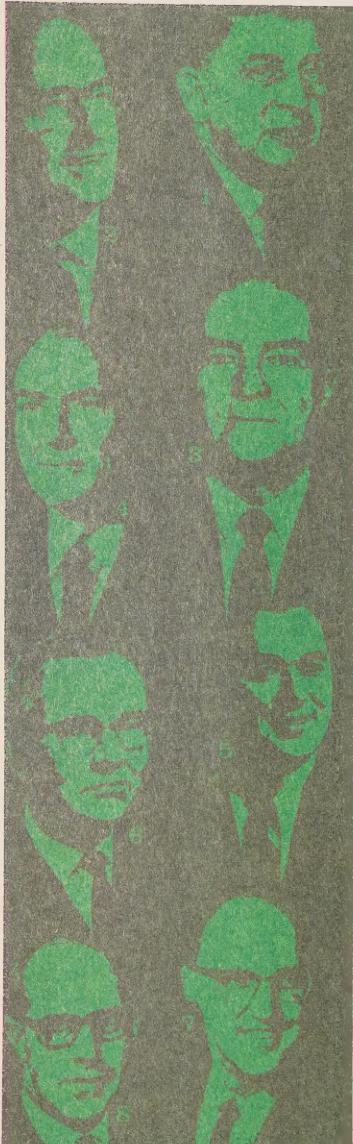
This book "Thirty-Two Million Dollars a Day" explains these changes and how they affect all Canadians. It updates the basic material on Taxation which was contained in the 1966 publication "Twenty-One Million Dollars a Day" and is intended to provide an informative report on tax operations for both professionals and interested members of the general public.

Respectfully submitted,

Sheppard

David H. Sheppard
Deputy Minister, Taxation

Principal Officers



PRINCIPAL OFFICERS / HEAD OFFICE / NATIONAL REVENUE / TAXATION

D. H. Sheppard	①	Deputy Minister
H. H. Milburn	②	Assistant Deputy Minister, Compliance
S. E. Bernier	③	Assistant Deputy Minister, Operations
H. F. Herbert	④	Assistant Deputy Minister, Planning and Research
E. F. Grabowy	⑤	Director, Financial Management and Administration Branch
W. R. Green	⑥	Director, Personnel Administration Branch
R. C. Gillespie	⑦	Director, Management Audit Branch
L. M. Smith	⑧	Director, Information Services Branch

DIRECTORS / TAXATION

W. J. Massel		Data Centre, Ottawa
E. R. Roberts		St. John's, Newfoundland
H. G. Ladd		Charlottetown
R. G. McKenna		Halifax
J. W. Dixon		Sydney
L. T. Merleau		Saint John, N.B.
T. E. Weldon		Quebec
J. N. E. Albert		Sherbrooke
R. A. D'Avignon		Montreal
K. L. Reid		Rouyn
A. Knox		Ottawa
F. H. Allcorn		Sudbury
H. R. Hennessey		Kingston
A. Paterson		Belleville
R. H. Fickes		Toronto
W. R. Leach		Hamilton
N. D. Lowe		St. Catharines
J. H. Morrison		Kitchener
H. Enstone		London
W. J. McKenna		Windsor
R. P. Lawrie		Fort William
L. E. Mann		Winnipeg
N. A. Morris		Regina
T. H. J. Illsey		Saskatoon
D. F. Rutherford		Calgary
A. R. Bevan		Edmonton
G. W. Northfield		Penticton
C. E. Wesson		Vancouver
		.Victoria
		Whitehorse

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Society and the Taxman

Chapter One

Taxes have been called the sinews of the state. They have been called the tribute we pay for a civilized society. And, inevitably, taxes have been called inevitable.

Similarly, a number of things have been said about tax collectors, many of them quite unprintable. While modern society camouflages the inevitable encounters with a veneer of politeness, it is quite obvious the taxman is not a candidate for the "most popular citizen" award.

Will the situation ever change? Not likely. The Royal Commissioners on Taxation made the point this way in their 1966 report:

"Obviously, no one wants to pay taxes; and almost everyone is prepared to argue that his taxes are too high relative to those paid by others. There is an inevitable and endless conflict of interest among taxpayers that cannot be completely resolved."

ROLE OF THE TAXMAN IN MODERN SOCIETY

In the olden days it was held that the primary purpose of taxes was to pay the costs of government. However, since World War Two, secondary purposes have emerged and the level of taxation has become an important instrument of economic and social policy in modern countries. Taxes have been introduced, abandoned or varied to produce effects often quite unrelated to the need for revenue.

Customs duties, for instance, can protect national industries and influence international balance of payments. And, when applied to

alcoholic beverages or tobacco, such taxes even take on social and medical overtones.

In the personal income tax field, the level of tax directly affects an individual's spending and can thus restrain or stimulate his ability to pay for goods and services. Taxes can even influence a wedding date, or how a person invests his savings. In the case of industry, taxation levels can be adjusted to provide incentives for production, investment and savings, and directly influence the country's long-term growth.

When it comes right down to the crunch, most Canadians admit the justice and logic of paying taxes, and often boast proudly of the benefits which result. The very existence of Canada requires that the citizens be able to defend themselves against aggressors, maintain law and order, and provide public services. So, Canadians admit that wealth must be shared so that economic activity can expand and social and cultural needs can be met.

The modern taxman relies on a sophisticated array of electronic data processing equipment to perform his job. With computers he carries out essential tasks with a degree of economy and efficiency never before possible. He has at his command a multitude of other aids to assist in checking and verifying.

This, remember, is his main task... to collect the *correct* tax. The more accuracy the taxman can introduce into his work, the more equitably the system bears on all Canadians and the less expensive the job will be.



The modern taxman may also be a woman. And indeed, the taxpayer is often a woman, or a wife who looks after family or business financial matters.

In 1969 more than eight million returns were filed and assessed in a few short weeks. Within a decade, that intake could be half again as large. The funds collected represent more than half of all federal revenues, a substantial portion of the revenues of most provinces and all the contributions to the Canada Pension Plan.

Collection of the tax dollar now costs 0.8 cent. Not long ago, it was 2.2 cents.

A JOYFUL DAY IN THE COMMONS

The introduction of personal income tax in Canada in 1917 was greeted with enthusiasm in the House of Commons. One member, Mr. F. B. Carvell, summed up the jubilant spirit of the day by observing: "I hope the income tax has now become an institution in Canada and that it will never be abolished."

History, however, assures us that the measure was "only temporary," and, judging by precedent, that seemed plausible.

For the first 50 years of Confederation, the modest requirements of the federal government were met by customs duties and excise taxes. The provinces relied on direct taxes such as succession duties, corporation taxes and, in a few cases, taxes on income.

However, the pressures of financing World War One called for much stronger medicine, and a Business

January 1915. This was augmented in July 1917 by the first general tax on corporate and personal incomes.

Judged by current standards, the first income tax was virtually painless... 4% on income over \$1,500 (single person) or \$3,000 (married). In addition, there was a supertax on income above \$6,000 which ranged from 2% to 25%.

In the 50 years that followed, the Department of National Revenue, Taxation, as it came to be called, was required to administer a variety of tax measures — measures imposed in times of depression and in times of war. A non-resident withholding tax was introduced in 1933; a gift tax in 1935; and in 1941, succession duties which in 1959 became an estate tax.

In 1952 Taxation began to collect Old Age Security Tax on personal and corporate incomes; ten years later it began to administer, as an agent, individual income taxes for all provinces except Quebec and corporation income taxes for all except Quebec and Ontario.

On January 1, 1966, it began collecting contributions to the Canada Pension Plan.

Throughout this half century, Taxation has operated as an independent entity. Formally, however, Taxation and Customs and Excise were listed as "divisions" of the Department of National Revenue and reported to the same Minister.

However, in practice, each body, operating under a separate Deputy Minister, maintained separate offices both in Ottawa and in the field.





Recently the term "division" has been dropped by both groups, which, although they are not formally departments, operate much as if they were. They both still report to the same Minister, and are called, simply, Customs and Excise, and Taxation.

HOW TAX LAW IS MADE

Taxation does not decide how much income tax Canadians shall pay. That power rests with Parliament, and the subject is debated frequently in the House of Commons and the Senate.

The Minister of Finance customarily proposes new tax legislation, although his department works in close cooperation with Taxation on the suitability of the new measures and with the Department of Justice on the legality of the legislation.

Taxation experts offer opinions on the practical aspects of carrying out tax proposals, and point out inconsistencies in the laws which could result in inequities. They maintain liaison with other government departments and agencies for the purpose of obtaining and submitting pertinent technical information. And they assist the Department of Finance in negotiating conventions with other countries for the avoidance of double taxation and the prevention of tax evasion.

The laws now administered in whole or in part by Taxation, as well as the particular taxes or contributions collected, are as follows:

Income Tax Act

Individual Income Tax
Corporation Income Tax
Gift Tax

Non-resident Tax

Estate Tax Act

Estate Tax

Old Age Security Tax Act

Old Age Security Tax on
Individuals and on Corporations

Canada Pension Plan

Contributions from Individuals and
Employers

Provincial Income Tax Acts

Individual Income Tax for all provinces except Quebec
Corporation Income Tax for all provinces except Ontario and Quebec

THE SIZE OF THE JOB

The growth of work in administering these tax laws is detailed in the tables at the back of this book. In recent years, it has been substantial.

For instance, in the past 20 years, the number of returns filed has almost tripled, while the percentage of the labor force filing returns has risen from 64% to 100%.

During this same period, the continuing staff of Taxation has dropped from a high of more than 11,000 to fewer than 8,000 and the cost of collecting \$100 in revenue has been reduced from \$2.05 to 84 cents.

In large measure these achievements have been brought about by the continual upgrading of systems and programs, and careful management audit to ensure that all parts of the organization adhere to established routines.

Taxation operates 29 District Taxation Offices located in centres where they can best serve major concentrations of taxpayers. It is in the District Taxation Offices that per-

sonal income tax returns are subjected to detailed auditing and verification processes, and where they are kept on file for reference.

Common to all Taxation District Offices is the Data Centre in Ottawa. It is to this "clearing house" that personal income tax returns are mailed when first filed. It is here that they are first assessed and where master records for all taxpayers are maintained on magnetic tapes which can be processed, reviewed and updated by computer.

Directing these 30 installations is the Head Office, also in Ottawa. The top management team is located here, as well as such centralized functions as Personnel Administration, Information Services, Management Audit and Financial Management and Administration.

In addition, the Head Office also contains groups of specialists who are engaged in designing the highly-technical programs that are carried out in the District Offices. In many cases, these programs involve use of the computer and require expertise from other specialists and so these functions are located in the Head Office.

Total Head Office staff in 1969 was in the neighborhood of 675. The operating budget for that year, for all Taxation work, was \$76.7 million.

TAX REVENUES

Some idea of the volume of work accomplished by Taxation can be obtained by perusing the tables at the back of this book. Of special note are the sheer numbers involved in processing this ocean of paper.

In 1968, some 8,159,000 returns from individuals were received, 199,000 from corporations; 13,139,986 T4 wage slips, 3,350,444 T5 interest and dividend slips and 3,714,157 T600 slips on bond coupons cashed.

In terms of annual net collections the fiscal year 1967-68 can be summed up simply like this:

	Millions
Individual income and Old Age Security tax	\$4,610.5
Corporate income and Old Age Security tax	\$1,987.5
Special Refundable tax	\$39.1
Non-resident tax	\$220.5
Succession duties or Estate taxes	\$102.2
Canada Pension Plan Contributions	\$640.6

The tables also include an interesting figure on refunds made in 1968 which amounted to these totals:

	Millions
Individual Tax	\$393.9
Corporation Tax	113.7
All Other Taxes	6.5
	\$514.1

In the case of wage earners, refunds are often created by over-deductions caused by a period of unemployment during the year, an increase in exemptions, a claim for medical expenses or charitable donations, and so on.

Surprisingly, many taxpayers deliberately understate their exemptions to their employers and incur over-deductions so as to create refunds.

In the case of the self-employed, refunds are mostly due to the ap-

plication of a business loss, to farmers' averaging or to incorrect estimating of instalments.

With corporations, refunds are caused mainly by the offsetting of business losses. In Estate Tax they commonly result from the application of provincial and foreign tax credits.

In all categories of returns, a small percentage of refunds is due to the downward adjustment of assessments after the submission of new facts or representations by taxpayers or after formal appeals have been resolved in their favor.

The Self Assessment System

Chapter Two

By any yardstick, the collection of income tax in a modern country is a mammoth task. In Canada the job calls for intimate dealings with more than eight million individuals, and all the related checking and record keeping. It is an extremely sensitive area of work, where tempers can flare at the drop of a decimal.

To get the job done (8.1 billion dollars in collections in 1968) the tax collector must maintain a high degree of efficiency and integrity. He must be fair but firm, careful and efficient.

Despite several thousand years of experience in collecting taxes, modern countries do not agree on techniques and procedures. In the United Kingdom, for instance, deduction of income tax is the responsibility of the employer and three out of four employees need not file a return. In France, personal income tax is assessed by the collector upon family groups and is usually paid in three instalments. In Argentina, there is a system of advance payments, based on tax paid in the previous year.

Canadians, like Americans, have adopted a self-assessment tax system. Taxpayers volunteer the facts about their incomes and deductions and an estimate is made of the taxes they must pay. In most cases, these estimated taxes have already been deducted at source.

This self-assessment system has two main advantages: it is an economical way of collecting from large numbers of taxpayers in one operation; and it is efficient in that it ensures that the tax reaches the exchequer promptly. The main job

of the tax collector, under this system, is to test check these self-assessments to ensure that the tax laws are being observed conscientiously and uniformly in all parts of the country.

In Canada, taxation is based on residence, not nationality. Liability for tax is contingent on being either a resident, or being employed in Canada or carrying on a business here. To prevent double taxation, Canada has comprehensive agreements with many countries which, like Canada, charge tax on income arising within their territories irrespective of where the recipient resides.

There is one exception to this self-assessment system... the 100,000 servicemen in the Canadian Forces. These men and women have the exact tax deducted at source and do not file returns as long as their non-service income does not exceed \$50 a year.

ANNUAL TAX CYCLE

Under the Canadian system, taxes are computed and levied on an annual basis. There are three main phases to this tax cycle — payment, filing and enforcement. The payment phase is based on deductions at source and is largely the responsibility of the employer. If a person is self-employed, or has other types of income, he must remit quarterly instalment payments.

The filing phase, which takes place in the weeks leading up to the annual April 30 deadline, centres around the Data Centre. All personal income tax returns are mailed there for initial assessing and electronic data processing.

When this phase is over, the returns are sent to whichever of the 29 District Taxation Offices serves the area in which the taxpayer lives. Here the returns are filed for future use and subjected to further auditing as required by the enforcement phase of the tax cycle.

Many of the procedures carried out at the Data Centre and the District Taxation Offices are developed by systems groups in the Head Office in Ottawa. Head Office also rules on contentious cases and audits the work of the District Offices to ensure that the application of tax laws is uniform across Canada.

DEDUCTIONS AT SOURCE

In January each year, employers begin deducting federal and provincial income tax, old age security and Canada Pension Plan contributions from pay cheques according to deduction tables provided by Taxation.

These deductions are remitted to Ottawa by the employer's bank, or paid directly to Taxation, and a credit is set up in the source deduction account which is maintained by computer at the Data Centre. The computer posts the account and produces a turnaround voucher, which is a receipt as well as a form used in submitting the following month's remittance.

Throughout the year the employer maintains a record of each employee's wages, tax deductions and pension plan contributions. At the year end he reports totals for all employees on the T4-T4A Summary Return, and individual incomes and deductions on Supplementary slips. The majority of Canadian employers carefully fulfill their legal obligations

by deducting and remitting these taxes accurately and promptly. However, a small number don't, and keep Taxation's payroll auditors busy safeguarding the interests of both employees and the Crown by seeking out cases of non-deduction, non-remittance and failure to file T4's.

Employers have been known, when hard pressed by creditors, to divert withheld tax monies to their own use. In such circumstances, the employee nevertheless receives credit for the deduction and suffers no hardship.

Canada was one of the first countries to adopt this "deduction at source" method of collecting taxes. It has been successful mainly because of the co-operation of Canadian employers who maintain substantial accounting procedures for it and because it is accepted by employers who understand the system.

On December 31, 1968, there were more than 450,000 employers with 1968 deductions recorded at the Taxation Data Centre. In the fiscal year ended March 31, 1968, their remittances of source deductions and Canada Pension Plan contributions totalled over \$4.2 billion, representing 80% of all amounts collected from or on behalf of individuals.

INSTALMENT PAYMENTS

Employees are not the only ones who pay as they earn. Self-employed people such as proprietors, professionals, writers, artists and investors pay tax in quarterly instalments.

14 At the start of each year they esti-

mate annual income, and calculate income taxes and Canada Pension Plan contributions for the year. They pay one quarter of this total amount on the last day of March, June, September and December. If they overpay or underpay, an adjustment is made at spring filing time.

Farmers and fishermen pay instalments too — but on a different basis. Two-thirds of their estimated tax is due December 31 and the remainder when they file in the spring.

A taxpayer who fails to pay his instalments or pays less than he should is charged 6% interest on the deficiency. This penalty has had only a partial effect on delinquent taxpayers. It is not unusual for a self-employed taxpayer to pay 6% interest on unpaid taxes in order to keep the money for other temporary uses.

For instance, for the tax year 1967, some 381,092 individuals made instalment payments. However, 237,921 taxpayers were assessed interest penalty of \$7.4 million, representing a shortfall in instalments for the year of some \$174 million.

Corporations also pay income tax by monthly instalments. At the end of the corporation's year, the balance owing is due, or a refund is sought if there has been an overpayment.

Canadian corporations comply well with instalment requirements and the number of firms in any year which ultimately report a profit subject to tax closely follows the number of instalment accounts containing payments.



Midnight April 30

Chapter Three

At the final stroke of twelve midnight each April 30, Taxation closes its books on the preceding calendar year's tax returns. The penalty for being late is five percent of the unpaid tax.

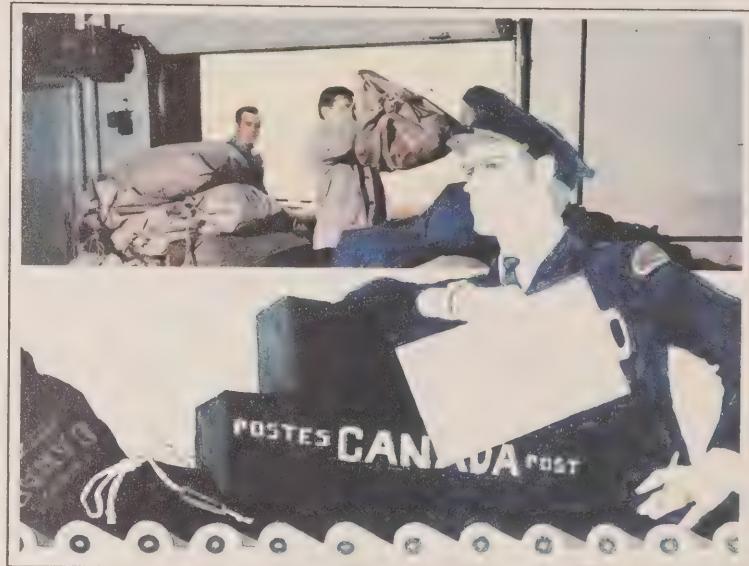
The weeks leading up to and immediately following this well-publicized national deadline belong mainly to the Taxation Data Centre. Behind the bland facade of a P.O. Box Number await up to 3,000 employees who check returns and prepare them for the lightning-fast computers which have little sympathy for a misplaced digit or a family crisis.

The Data Centre is really just a factory, created to process as efficiently as possible the annual inundation of personal income tax returns, which in 1968 totalled 8,159,000. In a few short weeks the intake of returns builds up from a trickle to tens of thousands.

Two days (May 1 and 2, 1968) saw the arrival of 1,250,000 returns, most of them postmarked just before the deadline.

As the mail flow increases, so does the Data Centre staff. To a core of around 500 employees additional temporary help is recruited until the total reaches a peak of 3,000. Then, as the work is completed, the temporary workers fade away as May melts into June.

Many surprises await the busy fingers of the workers who open the mail as it flows into the Data Centre. Taxpayers send in cheques written on shirts and enclose religious pamphlets, family photographs, trading stamps and even photos of missing relatives. What's



more, T4 slips and receipts are often fastened with such odd items as electrician's tape, staples, and, yes, bubble gum. In spite of such problems, all mail is carefully examined and sorted before it goes to manual audit and payments are verified and recorded.

The paper storm is magnificent in full flood but it is soon over. In next to no time, it seems, the returns are assessed, processed, stamped, numbered, recorded, checked and packed away to District Taxation Offices to await further action. A thankful calm again pervades the Data Centre which reverts to more orderly, more routine, functions. The voracious computers silently busy themselves with other tax chores, for they seldom rest.

Soon, with a burst of publicity, it's fall again and hundreds of young housewives flock to instructional classes where they earn while they learn to be temporary workers, and reserve a place on the two-shift assembly line which forms as April 30 once more races over the horizon.

PERSONALIZED TAX RETURNS

The first step in preparing for the filing season is making the necessary returns available.

In late fall, the computer prints labels for personalized tax returns which are mailed to taxpayers shortly after the New Year. These returns bear the taxpayer's name and address, a tax account number and a Social Insurance Number (SIN), used when crediting Canada Pension Plan contributions.

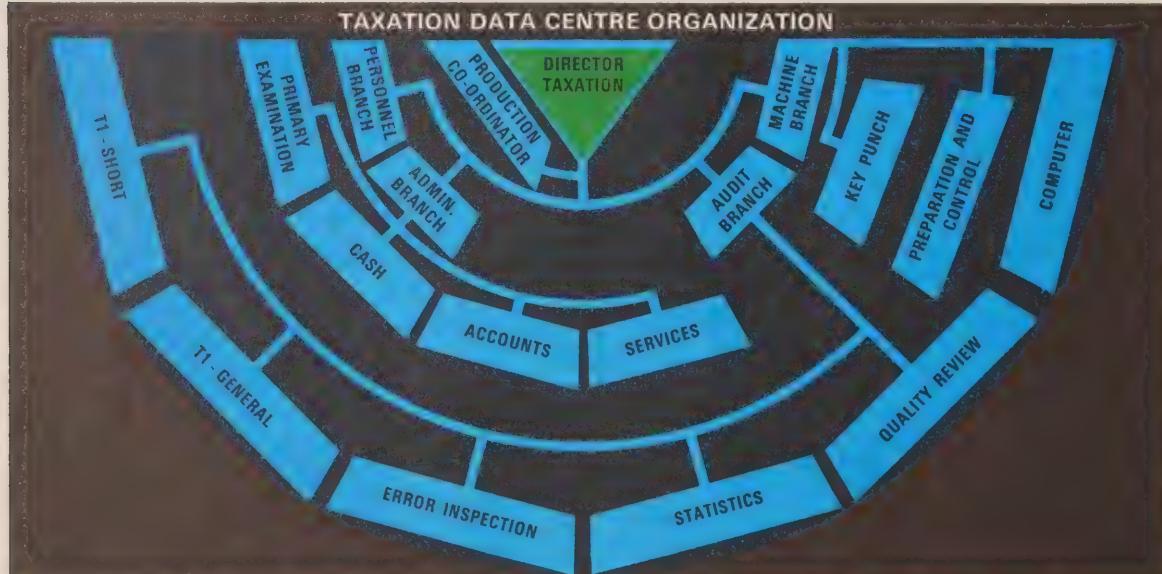
If a taxpayer moved during the year he may not receive a personalized return. Nor, of course, will first-time filers. They may obtain blank returns from Post Offices or District Taxation Offices.

MANUAL AUDIT

A tax return passes through many hands and skilled eyes scan each one for completeness and accuracy before it reaches the computer. Special groups add, subtract, fix transposed numbers and apply other "dressing" techniques to incomplete returns.

Along the way, about 8% of the returns are "snagged" for being incomplete or questionable. These are sent back to District Offices for direct taxpayer contact. This takes time, of course, and unfortunately delays any refund due.

TAXATION DATA CENTRE ORGANIZATION





COMPUTER PROCESSING

As the time nears for the computer to process a return, a keypunch operator must first turn the written words and figures into holes on cards. A machine reads these cards and turns the holes into invisible spots on magnetic tape. Then the computer processing actually begins as the spots are sorted, digested, and re-arranged.

The computer edits each return for consistency, checks the mathematics, applies credit for payment, computes interest charges or credits, creates an accounts receivable ledger on magnetic tape and prints all necessary assessment notices, error notices, bills, taxpayer registers, collection followups and refund cheques.

At the same time, the computer is producing facts for management and selecting a scientific sample of returns. Additional data from these are used to create a tax model for the production of statistics for economic analysis.

At its peak rate, the computer pro-

cesses about 300,000 returns in a 60 hour cycle, in addition to performing many other functions of an accounting, processing and analytical nature.

RESULTS

What is the net result of the painstaking processing conducted at the Data Centre? And, perhaps, more to the point, is it worth it?

Yes. Both the tax collector and the taxpayer benefit. The following tables show the significant percentage of returns in 1968 in which the taxpayer got something back. They also show how much the tax collector found through the verification process.

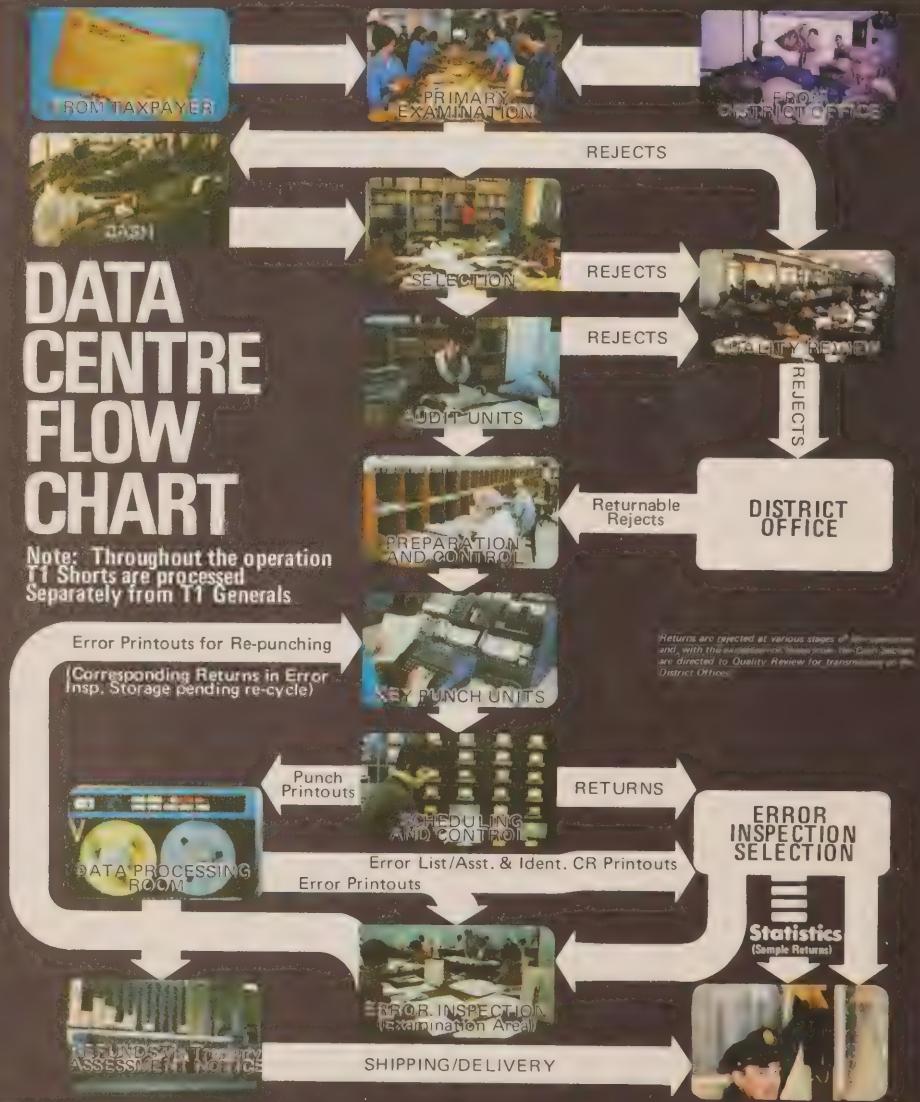
T1 RETURNS FILED DURING THE 1968 FILING SEASON

REFUND RETURNS.....	5,377,000
RETURNS WITH NOTHING DUE OR REFUNDABLE.....	1,885,000
RETURNS WITH AMOUNTS STILL OWING.....	897,000
TOTAL.....	8,159,000

	NUMBER OF CASES	TAX DIFFERENCE
CASES WHERE THE AMOUNT OF TAX PAYABLE WAS UNDERSTATED.....	839,653.....	\$65,682,000
CASES WHERE THE AMOUNT OF TAX PAYABLE WAS OVERSTATED.....	1,368,141.....	\$49,801,000
TOTAL CHANGES.....		\$115,483,000
NET ADDITIONAL TAX FROM VERIFICATION.....		\$15,881,000

DATA CENTRE FLOW CHART

**Note: Throughout the operation
T1 Shorts are processed
Separately from T1 Generals**



Days of Reckoning

Chapter Four

Despite the publicity spotlight which bathes in glamor the Data Centre operation, personal income tax returns spend only a few weeks there. The rest of their four-year life span finds them prosaically on file at one of the 29 District Taxation Offices across the country.

As a taxpayer moves from job to job, from city to city, the returns do not follow him unless required for special purposes.

It is in the District Taxation Offices that the major programs of the taxation cycle take place. It is here that the audit programs, enforcement procedures, and collection actions are instituted and carried out.

With the help of the computers in Ottawa, District Offices seek out persons who should have filed returns, but haven't; collect from

those who declared taxes but didn't offer payment or respond to written notices sent by the Data Centre; and audit selected groups of returns and examine the underlying records in depth to check the accuracy of reporting.

Each District Office contains accounts collection people who collect tax arrears and enforce the Income Tax and Canada Pension Plan Acts as they affect deductions.

Four out of five taxpayers settle promptly when sent a written notice. However, the balance of unpaid accounts has a relatively high average dollar value. Collection personnel require a sound knowledge of accounting and federal and provincial statutes as well as a number of years of experience to carry out their job ef-

ficiently.

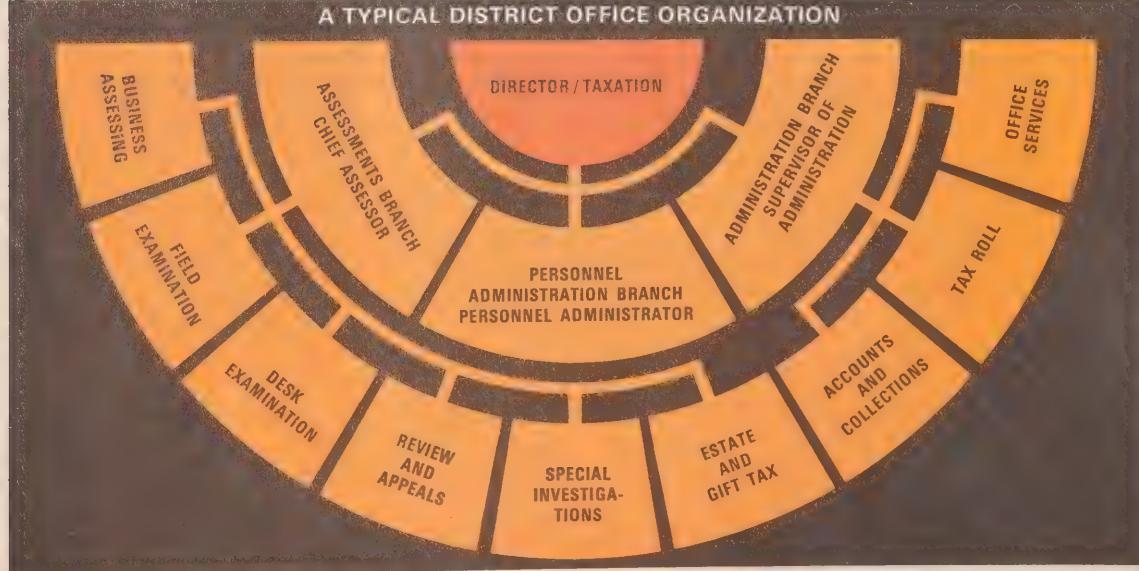
District Offices contain a total of almost 800 specialists who concentrate on delinquents who purposely attempt to avoid payment of tax, and payroll auditors who examine employers' records and check that the correct amount of earnings are reported and deductions made. They see, too, whether they're remitted accurately and promptly to Ottawa.

DETECTING NON-FILERS

The law requires an individual to file an income tax return if he receives taxable income. Enforcement programs, naturally, are designed to search out those who don't.

Canadians, on the average, change their address every four years. So even such a simple first step as locating a particular person can

A TYPICAL DISTRICT OFFICE ORGANIZATION



easily become complicated.

And always there is the race against time... the approach of a new filing season... the deluge of eight million more returns... a fresh batch of the same old problems.

Techniques for detecting non-filers are unspectacular. Detailed work plus seasoned judgment resolve many marginal cases.

The Data Centre magnetic tape record of the previous year's filers is searched to detect cases where the income pattern suggests that a current year return should be obtained.

Payroll reports from employers are carefully checked to ensure that employees have filed and have filed correctly. Searches are made of professional and other directories to determine if tax returns are being filed by the persons listed. Information about active businesses is gathered by payroll auditors and tax assessors in their field work and from various third party sources.

Detection of non-filing by corporations and employers follows a similar pattern but is less troublesome because the legal requirements are more stringent and more likely to be observed. The number of cases,

too, is much smaller and the taxpayers are usually not moving around.

Although time-consuming, this work of obtaining returns from non-filers brings in considerable additional revenue each year.

SOME FILERS DON'T PAY

For some strange reason, there is a prevalent feeling among Canadians that a debt owed to the Crown isn't half as serious as one owed a private creditor. Indeed, many citizens are indignant when asked to pay up with the same promptness as they would for a new car.

Naturally, Taxation collectors can't subscribe to this theory if they are to carry out their duties in a responsible manner. The Department is, after all, the largest collection agency in the country.

Each spring a substantial number of individuals admit they owe taxes but do not pay them when they file their returns. These must be collected. Corrections of errors in returns often create unpaid balances which must also be collected, as well as assessments raised during the year by tax auditors, payroll auditors and special investigators.

Although only a small percentage of people do not pay voluntarily — just 11% in 1967 — they still represent 863,000 — and more than \$130 million in unpaid taxes.

In general, Canadian wage earners are responsible taxpayers. In 1967, for instance, only 6.9% who filed T1 Short Returns were really delinquent. This represented \$29 million in back taxes. On the other hand, 29% of all those filing T1 General Returns (generally self-employed persons) were delinquent and their unpaid taxes added up to approximately \$100 million. As there are about five times as many wage earners as self-employed persons, the value of deductions at source becomes readily apparent in preventing delinquency.

PERSISTENT DELINQUENTS

A number of unpleasant but forceful procedures are available to Taxation collectors for use against the small core of persistent delinquents.

Wages, for example, can be garnisheed, which means that employers must withhold back taxes at source. These amounts differ in various provinces.

Bank accounts can be garnisheed

FISCAL YEARS

Returns obtained as a result of

	<u>1966</u>	<u>1967</u>	<u>1968</u>
Requests.....	23,420.....	21,183.....	38,968
Demands.....	43,077.....	43,868.....	62,140
Prosecutions.....	4,300.....	4,857.....	6,327
	<hr/> 70,797	<hr/> 69,908	<hr/> 107,435
Net Tax Realized.....	\$8,498,000.....	\$7,847,000.....	\$9,163,000
Average Tax Per Return.....	\$120.....	\$112.....	\$85

in the case of individuals and corporations. In extreme cases the Exchequer Court may authorize the seizure and sale of assets and apply the proceeds to the tax debt.

During 1967, 1,452 Certificates of Indebtedness were issued by the court and 1,097 writs were issued and served. Most delinquents paid up following the seizure of goods — thus eliminating the need to sell the assets.

The fact that Taxation launches proceedings to seize and sell assets does not automatically place it first in the line of creditors to receive full or partial payment. There are other factors to be considered, such as the Bankruptcy and Bank Acts and various provincial statutes.

ARREARS IN DISPUTE

The collection of back taxes when the assessment is under appeal creates unique problems. Although the Income Tax Act requires that the amount assessed should be paid whether or not an objection or appeal is outstanding, many taxpayers resist payment during this period.

Under such circumstances, the Department will sometimes accept collateral security for the amount of the debt until the issue is resolved, or, if this is not given voluntarily, the Department will seize and hold assets until the issue is resolved.

Almost 40 percent of the total individual income tax arrears accounts were under appeal in March 31, 1968, and approximately 70 percent of the corporation income tax arrears accounts.

UNPAID ACCOUNTS

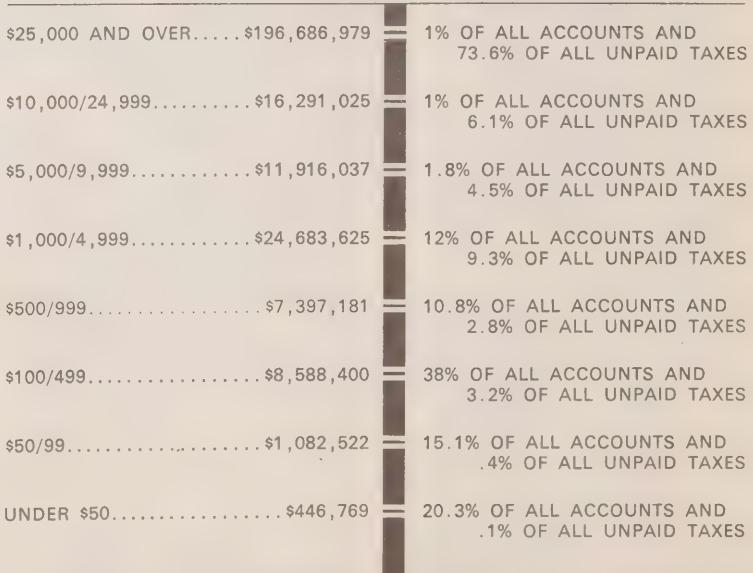
At March 31, 1968, there were 97,111 outstanding accounts, totalling \$267,092,538 of uncollected tax money. They are analyzed in the table below by dollar ranges. These outstanding accounts, to a large extent, represent the accumulation of many years. A number are written off each year as uncollectible. However, if there is a chance that the taxpayer's situation may improve, a debt is kept on the books.

Often, especially for smaller amounts, the computer collects the debt by

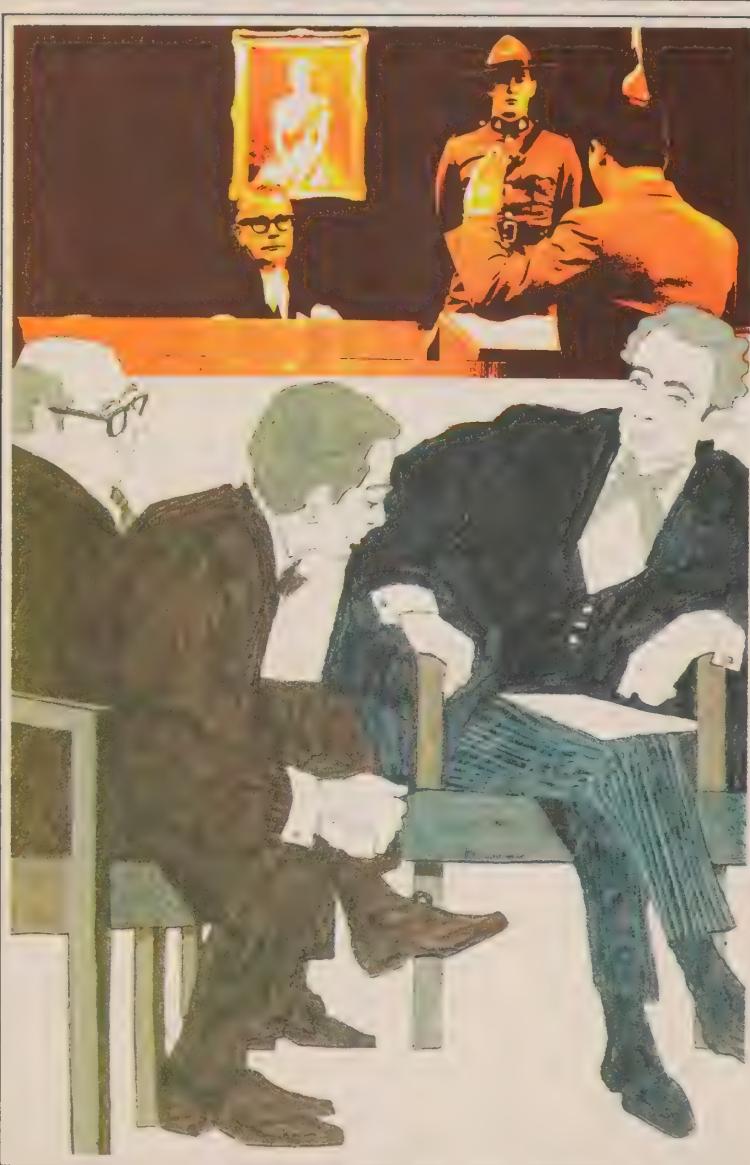
deducting it from a requested refund for a later year. Over \$5 million was collected this way in 1968.

ANALYSIS OF OUTSTANDING ACCOUNTS AS OF MARCH 31, 1968

TOTAL ACCOUNTS 97,111 / DOLLAR VALUE \$267,092,538*



* INCLUDES AMOUNTS UNDER APPEAL / EXCLUDES DATA CENTRE ACCOUNTS



Many Unhappy Returns

The role of Head Office in taxation work — apart from the management function — is most clearly evident in the annual auditing programs.

Shortly after World War Two, the steady increase in the number of Canadian taxpayers made complete audit coverage impossible. Cases were selected by senior people in each district after a thorough screening of the entire intake of returns.

Naturally, this process was costly, time-consuming and produced uneven audit effort between different districts. So, in 1958, an Operations Research Section was set up in Head Office to create a reliable data-gathering system to provide essential facts about audit activity and subject these facts to critical analysis.

This Section now produces refined programs of data evaluation by both computer and other means. It also produces a sharper definition of criteria for audit selection and sampling techniques to measure the "tax gap" which is the amount of tax money that was not paid but should have been.

Even more important, it permits controlled audit plans to be prepared by the Audit Coverage Division for application across the entire country. While some screening is still necessary, these balanced plans provide an even blend to the basic elements of compliance, equity, policing, audit resources, revenues and costs.

To a taxman, audit programs offer a tremendous challenge.

Chapter Five



Under a self-assessment system, it is not sufficient to ask taxpayers to declare their incomes, figure out their taxes and leave it at that. Enforcement activity must be continually conducted to maintain the integrity of the system and ensure uniform application of the tax laws.

This viewpoint was well stated by an advisory group reporting on the same problem in the United States:

"Enforcement, therefore, is necessary not only to preserve an equitable balance between honest and dishonest taxpayers, but also between those with simple and those with complicated returns; between those to whom the taxing statute may be applied with ease and those to whom its application is difficult; and between those who are careless and those who are meticulous in keeping their supporting records . . . The revenue system can be maintained only by effective and continuous inspection and check of returns."

In addition to its deterrent value, tax audits can pay off handsomely. During the year ended March 31, 1967, for example, Taxation's programs of "second checks" netted an additional \$141,404,000 from income tax returns alone.

TYPES OF AUDITS

There are three distinct types of audits carried out by Taxation staffs: field audits, field examinations and desk examinations. The number of each type conducted depends on the audit coverage targets established for different income ranges in the various categories of returns.

A field auditor assesses the larger business returns, such as the one filed by a car manufacturer or an electronics firm. Professional accountants are required to do this work.

On the other hand, field examiners deal with small businesses, professional people and farmers. Their work requires experience and judgment and puts less emphasis on accounting skill.

Desk auditors, as their title implies, generally remain in the District Offices and clear up details of expenses and other claims made by the taxpayer on his return. Records are not examined in detail and points of issue are usually resolved by letter, phone or personal interview.

All audit programs are designed to measure taxpayer compliance and encourage correct self-assessment.

This is particularly true where annual incomes are determined from books and records as in the case of self-employed and corporate taxpayers. Wage earners, whose income reports can easily be matched against those made by their employers, show the highest level of compliance.

Work selection and audit programs are designed to cover all classes of

taxpayers and select returns for audit within these limits:

- the number of returns selected must not exceed the capacity of Taxation's limited auditing resources;
- the selection must adequately cover taxpayer groups prone to poor compliance, yet include other groups to maintain their high compliance standards;
- the selection must observe the need for uniformity of tax application over a large country in population, income levels and other characteristics;
- the selection must weigh the additional revenues to be derived against the costs of obtaining them.

OPERATIONS RESEARCH

Random sampling of returns was initiated during the 1964-65 reassessing program. It was restricted to a sample of 1963 T1 General business returns and provided Taxation not only with an estimate of the tax gap, but indicated the resources that would be required to close the gap.

The 1965-66 field audit program included a mathematically designed random sample of 1964 returns in this manner:

Based on these results, it was estimated that approximately \$34 million had not been paid by the 382,000 tax filers in the categories covered. To collect this lost revenue, it was determined that a total of 2,420 additional field examiners would be required at an approximate cost of \$24 million a year.

The program also indicated that additional income adjustments constitute the largest proportion of all adjustments. In plain words some taxpayers forgot to report some of their income.

It was hoped that some special characteristics of underpaying tax filers would be uncovered in this survey and that future file selection would be made easier. Such was not the case. Research to discover better methods of pinpointing returns prone to income understatement continues, however.

During 1965-66 a similar survey was carried out in the desk examination area to discover whether or not there was unpaid tax among non-business return filers. The results indicated that desk audit coverage can be expanded substantially before the cost per man-hour would render the project uneconomical.

Similar projects are planned for future years and it is hoped that

TYPE OF RETURN	CATEGORY OF TAXPAYER	GROSS INCOME RANGE	NET INCOME RANGE	TOTAL NO. OF RETURNS	NO. SELECTED FOR AUDIT
T1 GENERAL	BUSINESS	\$25,000 - 99,999	UNDER \$5,000	53,000	1,300
T1 GENERAL	PROFESSIONALS	\$0 - 14,999	ALL	30,000	708
T1 GENERAL	FARMERS & FISHERMEN	\$0 - 14,999	ALL	...	228,000
T1 GENERAL	FARMERS & FISHERMEN	\$15,000 - 24,999	UNDER \$5,000		1,902
T2	CORPORATIONS	\$0 - 99,999	UNDER \$5,000	71,000	1,315

sufficient staff will be available to provide coverage of this type for all ranges of taxpayers. From these samples, information for work selection studies and also for improved tax gap determination, essential for proper staff utilization, will be obtained.

AUDIT YIELDS

It is difficult to say how much tax revenue is voluntarily reported which would be lost if taxpayers thought there were no tax audit programs. However, facts are available on the additional revenue collected as a result of them.

In the fiscal year ended March 31, 1968 some 46,730 cases (a case may include a number of files or related returns) were subjected to field, desk and special investigation

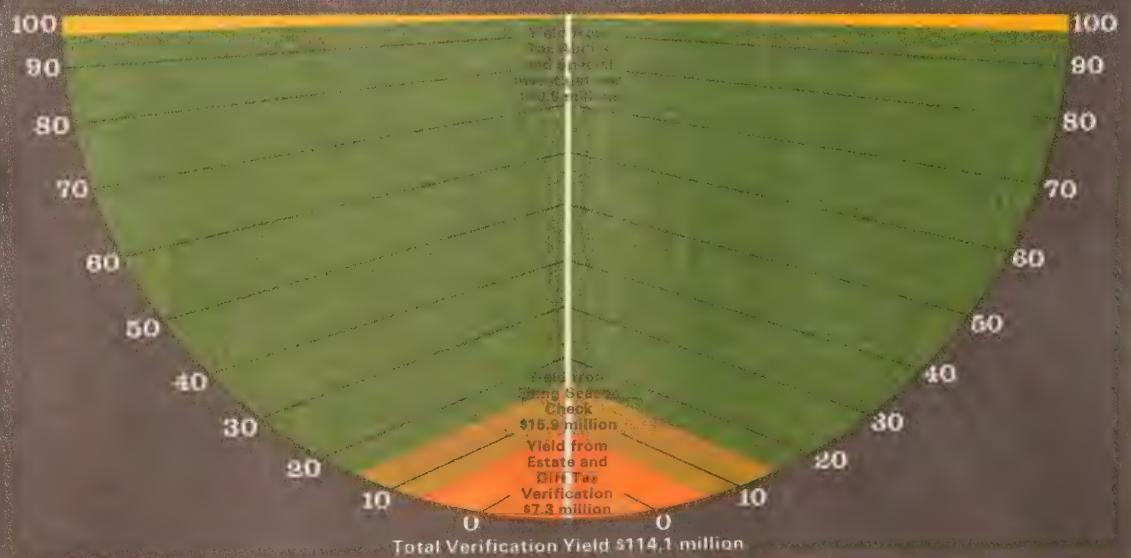
examination. The extra taxes assessed amounted to \$90,866,525.

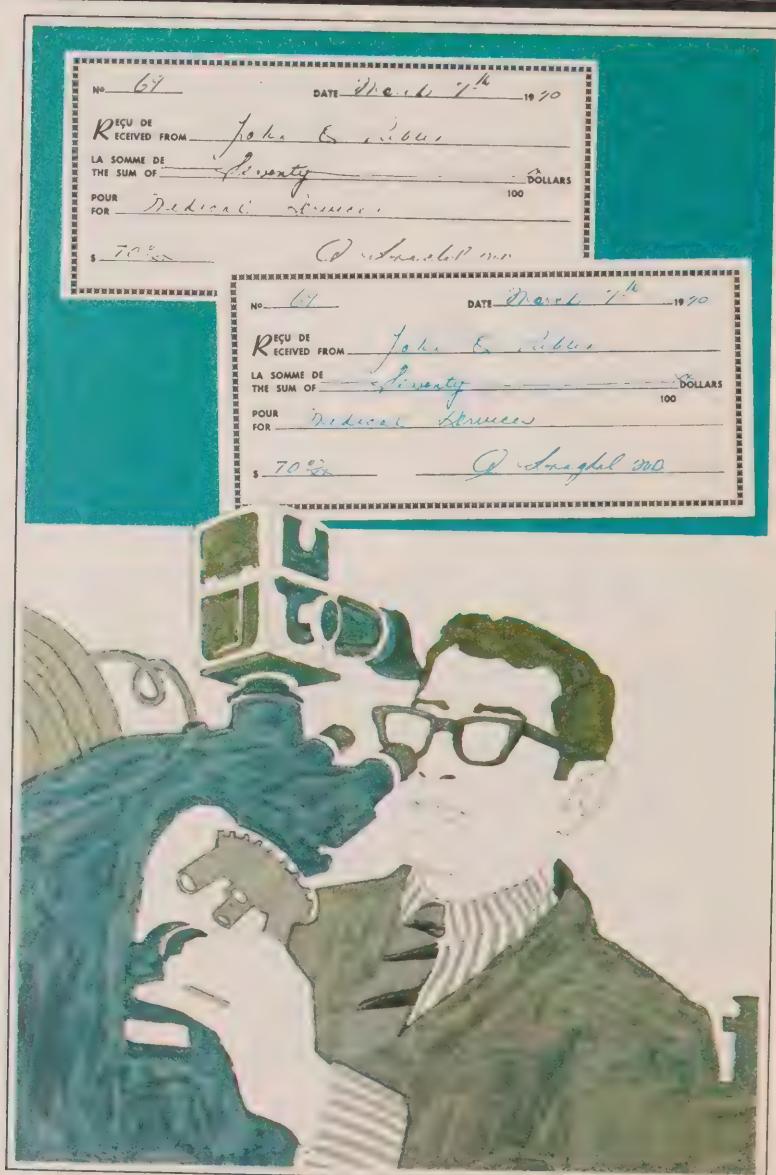
This is a net figure of the gross upward and downward adjustments of tax (including those due to special investigation activities) but does not include downward adjustments due to business loss applications and other claims not arising from tax audit activities. It also leaves out the extra taxes assessed during the initial verification processes carried out in the filing season.

The amount of extra money obtained due to tax audits is increased by the activities of Taxation's Estate Tax assessors. These men, many of whom are trained evaluators, closely scrutinize both Estate Tax and Gift Tax returns. In the fiscal year ended March 31, 1968 they assessed

net valuation increases of \$77,500,000 for Estate Tax purposes and \$4,638,265 for Gift Tax purposes. The extra taxes assessed were calculated at \$7,330,890.

SUMMARY OF TAX YIELD FROM VERIFICATION OF RETURNS





The Taming of the Shrewd

Behind every successful man . . . stands a tax collector.

The old joke can still draw a snicker because it's not that far off the mark. As long as there are taxes, there will be evaders. As long as there are evaders, there will be enforcers; only thus can respect for the tax laws be maintained.

Thankfully there are relatively few tax cheaters in Canada — people who knowingly evade income tax. To ferret them out, Taxation maintains a Special Investigations staff. When there are indications of an offence the S. I. men launch an investigation with a view towards prosecution.

Experience has shown that prosecution and the subsequent publicity serve not only to punish those convicted but also to deter others who may be contemplating the same line of action.

Since tax cheaters run the gamut of forgery, perjury, alteration of documents and the falsification or destruction of records, investigators are specially trained.

ON THE TRAIL OF EVADERS

S.I. men examine and analyze records and documents, conduct searches, seizures, interviews, interrogations and inquiries, assemble and correlate facts and evidence, present cases in report form and make recommendations for prosecutions or penalties.

They also assist Crown Counsel in court cases and give evidence. Special investigators have powers to seize documents not given to regular assessors or other Taxation officers.

Chapter Six

At March 31, 1968, there were 235 special investigators on staff, most of them located in District Offices. Guidance and direction is provided by a small group at Head Office where close watch is held on the progress of each fraud case.

During the fiscal year ended March 31, 1968, the Division completed 289 cases which recovered approximately \$13 million in tax, interest, penalties and fines. Prosecutions in 23 cases resulted in \$398,169.53 in fines. In eight of these prosecutions, mandatory jail sentences were imposed. In 229 cases penalties totalling \$1 1/3 million were imposed under Section 56 of the Income Tax Act.

AVOIDERS ARE SLIPPERY TOO

One of the most difficult tasks facing Taxation is the problem of how to deal with tax avoidance. These cases differ from those of tax evasion or fraud because the tax liability is lessened by the use of legal methods which do not involve misrepresentation or undisclosed transactions.

The origins of legal tax avoidance are recorded in early British tax cases which held that taxing statutes must be interpreted strictly in accordance with the language of the legislation without regard to equity or what might be believed to be the intention of the legislators.

At the same time, it has been held that every taxpayer is entitled to arrange his affairs so as to attract the least tax. Both these principles, although often questioned, have generally been followed by the Canadian courts.

From time to time attempts have

been made by legislators to reduce the revenue loss caused by tax avoidance schemes. The required legislation, however, is necessarily so complicated that its success has been limited by difficulties of interpretation and enforcement.

The catalogue of methods to achieve tax avoidance is long and it is probable that some of those currently in vogue could not meet the test of legal tax avoidance if all the facts could be ascertained. A tremendous amount of inquiry and audit time is required to establish whether the taxpayer has actually arranged his affairs in such a way as to successfully avoid the tax, or has failed to achieve this objective, or whether he has simply misrepresented the facts, perhaps fraudulently.

When attacking these schemes the tax administrator faces a difficult task because a great deal of taxpayer effort has gone into building up a facade of legality. Companies incorporated in tax havens like the Bahamas and Liechtenstein make the real facts difficult to uncover except through the use of extraordinary investigation techniques.

While the number and complexity of tax avoidance schemes vary only with the ingenuity of taxpayers (or, more often, of their advisors) the most common methods are operated through the medium of private limited liability companies. If successful, they enable the taxpayers to avoid, legally, the payment of part or all of the taxes intended by the legislators to be borne by them.

In April 1968, a Tax Avoidance Division was established to unravel and

expose carefully tangled avoidance schemes, and bring the full weight of the law to bear on them. A small staff at Head Office has been engaged in the organization of this Division, and is gathering together expertise needed to meet the challenge of the tax avoidance experts.

GROSS NEGLIGENCE PENALTIES

In addition to evasion and avoidance, there is one other type of questionable practice which Taxation must combat.

These are cases, uncovered by tax audit and other enforcement programs, where it is felt the facts do not warrant the severe punishment which the law provides for wilful evasion.

Section 56(2) of the Income Tax Act provides for the imposition of a penalty in cases where tax has been under-reported due to the gross negligence of the taxpayer.

In the fiscal year ended March 31, 1968, gross negligence penalties amounting to \$2,114,615 were levied on 10,892 taxpayers in addition to the 229 previously mentioned.



MAT 4... Electronic Aide-Memoire

Chapter Seven

Tax details slipping your mind lately?

Clean forgot that moonlighting income? Or the cash the wife got helping out at the supermarket?

Well, taxation has designed a program to help forgetful taxpayers, and employers, too. It's a simple electronic rollcall played on the Taxation computers each year. It's called Mat 4, which stands for Matching T4 Slips.

When an employer pays someone, he fills out a T4 slip (usually once a year) recording the transaction. He gives the employee two copies, keeps one himself, and sends one to Taxation. The computer matches them up to make certain that no one has forgotten.

Not long ago this matching was done by hand. Clerks with fistfuls of T4 slips received from employers delved into filing cabinets to check individual tax returns to make sure the taxpayer had attached his copy of the T4 to his return, and declared the income thereon.

Now computers have been harnessed to the task which is exactly what they can do quickly and accurately. In 1968, some 440,000 employers filed more than 15,000,000 T4 slips. These were matched with the copies filed with individual tax returns.

One purpose of Mat 4 is to create on magnetic tape a record of earnings of every contributor to the Canada Pension Plan. This is passed on to the Department of National Health and Welfare and it is from this record that pensions will be calculated.

However, there is another reason

for this tape. It is used to verify that the employees are declaring all earnings and the proper prepaid tax.

The T4 slips prepared by employers are sent first to a District Taxation Office where they are examined for completeness. Afterwards, the slips are sent to one of the seven Mat 4 regional centres in Quebec City, Montreal, Toronto, Hamilton, Winnipeg, Calgary and Vancouver.

More than 550 keypunch operators are employed in these regional offices from February to the end of April. They select data from the T4 slips and punch it on special cards which are then converted to magnetic tapes which are forwarded to the Data Centre for computer matching.

About 100 of the larger employers in Canada who have computer facilities supply Taxation with this T4 information already encoded on punch cards or magnetic tapes. In this way, information on more than one and a half million taxpayers arrives at the Data Centre ready to be fed directly into the computer. It's almost a case of computers talking to computers, and saves Taxation much time and expense.

Common Mismatches

The inconsistencies most often turned up by this matching process are:

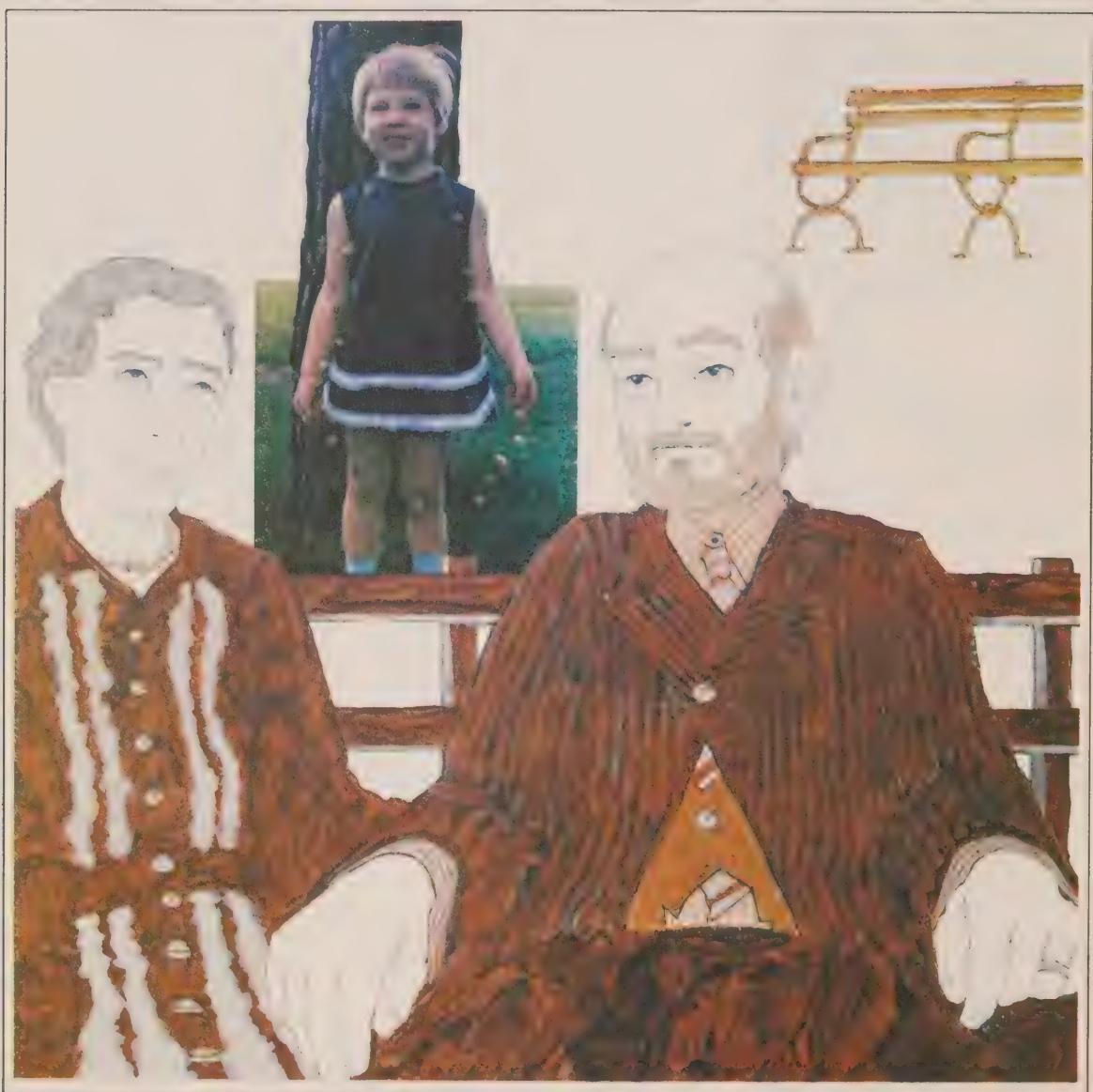
- ...employees who do not report all their income from employment
- ...employees who do not file returns although they received T4 slips from employers
- ...husbands claiming excess exemptions for working wives

...husbands and working wives each claiming exemptions for the same children

...employees who file altered or fictitious T4 slips

All mismatch items are sent back to the appropriate District Offices for checking against the record of the taxpayer. From there on it's just a question of resolving the problem between the taxpayer, the employer and Taxation.

Matching has always been a part of Taxation operations but the computer is able to handle such vast quantities of material in such a short time that it is becoming an efficient device to detect errors, oversights and deliberate evasions.



The Canada Pension Plan

Chapter Eight

The Canada Pension Plan has been called the most important single piece of social legislation in the history of Canada.

In conjunction with the Old Age Security Act, the CPP provides comprehensive protection for the contributor and for his family.

Most working Canadians are required to contribute to the CPP and benefits which they may receive later are directly related to contributions.

CPP came into being in 1965 and contributions started January 1, 1966. The earnings-related scheme provides retirement pensions, disability pensions, benefits for the dependent children of disabled contributors, death benefits and survivors' benefits on the death of a contributor.

When fully operative, after ten years, the retirement benefit will equal 25% of a contributor's average lifetime earnings, based on an initial maximum of \$5,000 a year. During the ten-year transitional period the retirement benefit will be built up at the rate of 2.5% of earnings per year. Both benefits and contributions are tied to the cost of living on the wage index, and are recalculated annually.

Participation in the CPP is compulsory for all persons between the ages of 18 and 70 who have annual earnings of more than \$600 from pensionable employment, or those persons who are self-employed residents of Canada earning \$800 or more in a year.

The CPP operates in all parts of Canada except the Province of

Quebec, where the similar and closely coordinated Quebec Pension Plan is in effect. Contributions and benefits are portable between the two.

District Taxation Offices maintain staffs to answer CPP questions and resolve disputes. Rulings and assessments issued on this level may be appealed to the Minister of National Revenue.

TAXATION RESPONSIBILITIES

The Department of National Health and Welfare has the overall responsibility for the CPP, including the disbursement of benefits. Taxation has the complicated task of collecting contributions from both employers and self-employed persons, and determining who is (and who is not) covered.

In a way, CPP contributions pose just another collection problem in a field most familiar to Taxation. Thus the integration of collection and reporting procedures not only achieved economies in administration, but also permitted convenient remitting procedures for both employers and self-employed persons.

As the CPP is geared to the cost of living, maximum contributions have risen since the plan started. The maximum payment for an employee in 1968 was \$81.00 rather than \$79.20 as in 1967 and 1966.

And, consequently, the benefits have increased also from \$104.17 a month full retirement pension to \$106.25.

INTRODUCING THE PLAN

Initially, the CPP called for a great deal of explanation to many affected groups.

- Employers were told how and when to deduct contributions.
- Printers and business equipment suppliers were warned of changes in payroll records, pay sheets, cheque stubs and other payroll records.
- Companies using computers were given a formula for deducting CPP contributions so they could program their equipment.
- An Information for Employers booklet was mailed and followed by a visit by Taxation auditors who helped employers set up their books.
- CPP contribution tables, and a comprehensive booklet, told employers about CPP coverage and deductions as well as remitting and reporting methods.

And when the plan finally got under way, an audit program of employers' records was carried out.

EMPLOYER'S ROLE

An employer is required to deduct CPP contributions from the gross salary or wages paid to each employee on the basis of tables supplied by Taxation. He must match the employee's contribution dollar for dollar and remit the total, along with any tax deductions, through his bank by the 15th of the following month.

If an employer has failed to deduct CPP contributions, or if he under-deducts, he nevertheless is responsible for the amount he should have deducted, but he may, in some cases, deduct the amount from his employee's pay.

At the end of each year the employer must report the amount of CPP contributions on the employee's

T4 slip. This amount is income tax deductible and should be claimed on the taxpayer's income tax return. Provision is made there for a refund in cases of overpayment.

In 1968 approximately six million employees contributed to CPP.

SELF-EMPLOYED PERSONS

The law also requires all self-employed persons who earn \$800 or more in a year to contribute to the CPP.

Because of this, many Canadians, previously non-taxable, find they need to file an income tax return because it is on the income reported on the return that the amounts of CPP contributions are established.

Self-employed persons pay 3.6 percent — which is the equivalent of both employer and employee contributions. The maximum payment for 1968 was \$162. Self-employed persons should pay CPP contributions quarterly at the same time as their income tax.

SOCIAL INSURANCE NUMBER

To make absolutely certain that contributions are recorded correctly, a Social Insurance Number (SIN) has been made available to all Canadians. This nine-digit number, reported annually on an individual's T4 slip income tax return, ensures accurate recording of all contributions in spite of similarities in names, addresses and occupations.

CPP CONTRIBUTION STATISTICS

13,200,000 T4 slips for 1967 were submitted by employers. Information from these slips indicated that approximately 5,500,000 employees contributed to the Canada Pension

Plan for 1967. Their contributions amounted to \$290,000,000.

340,000 employers were required to make CPP contributions to match the amount contributed by the employees.

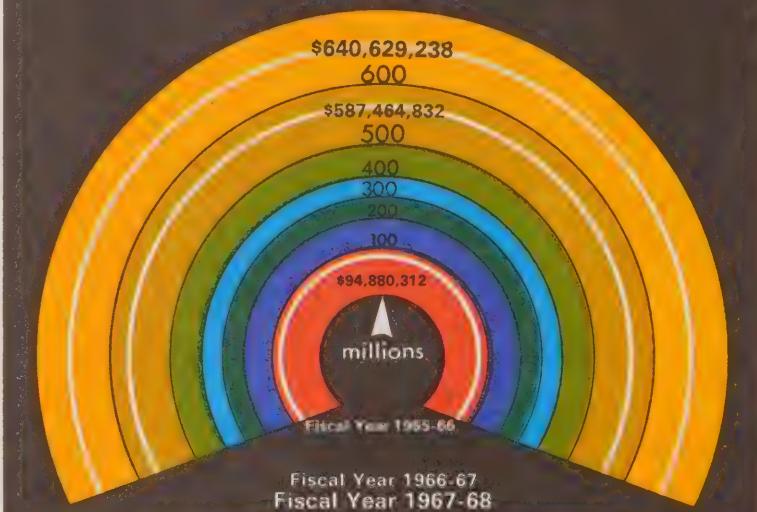
495,000 self-employed persons filed T1 General tax returns for 1967 and were assessed contributions to the Canada Pension Plan on their earnings from self-employment. This group included

206,000.....	FARMERS
13,000.....	FISHERMEN
222,000.....	BUSINESS PROPRIETORS
14,000.....	SALESMEN
40,000.....	PROFESSIONALS

Some of these contributors may also have contributed as employees if part of their earnings came from salaries. Their contributions on self-

employed earnings only amounted to \$45,000,000.

REVENUES ALLOCATED TO THE CANADA PENSION PLAN
(SOURCE: DEPARTMENT OF FINANCE)



Tax Appeals

Chapter Nine

As the number of taxpayers increases and the tax law complexities multiply, so do occasions when the taxpayer and the tax collector differ on questions of fact and of law. The Canadian system for resolving these differences is as accessible and inexpensive as any in the world.

The resolution of tax disputes begins at the audit stage. Except in cases of obvious error, it is Taxation policy to notify a taxpayer of any proposed change to the tax declared by him and to invite his representations before formal assessment is made. By this means, many disputes are resolved before formal assessment.

If differences persist and an assessment is issued, the taxpayer has 90 days to file a Notice of Objection. This is the first formal appeal step and initiates an independent review of the case by an appeals officer in the District Office. Taxpayers or their representatives are invited to confer with the appeals officers at this stage. The effectiveness of these meetings is evidenced by the fact that over half the objections are resolved in whole or in part by the Districts.

Four new Regional Tax Appeals Offices were opened in Montreal, Toronto, Vancouver and Ottawa in 1968. They are independent of the District Taxation Offices and provide an additional point where taxpayers may discuss objections which are not resolved at the District level. Department of Justice lawyers, acting as counsels for Taxation, may attend these regional meetings.

If an objection is not resolved at the regional level, the taxpayer is formally notified of the decision of Taxation. He may then file a notice of appeal to either the Tax Appeal Board or the Exchequer Court of Canada. Appeals from the latter court may be taken to the Supreme Court of Canada.

TAX APPEAL BOARD

The Tax Appeal Board is an independent body which holds hearings in the larger centres in Canada. Statements are given under oath and according to the rules of evidence. The taxpayer may argue his own case or be represented by a lawyer, accountant or other adviser. Taxation is always represented by a lawyer from the Department of Justice.

Decisions of the Board, with reasons, are made in writing and sent by registered mail to the taxpayer and Taxation. If the appeal is successful in whole or in part, the taxpayer's \$15 filing fee is refunded. There are no court costs.

The taxpayer or Taxation may appeal a decision of the Board to the Exchequer Court of Canada within 120 days of the day on which the Board mails its decision.

EXCHEQUER COURT

The Exchequer Court of Canada holds sittings in various parts of Canada. One judge hears the appeal. Being a formal court, only a qualified lawyer may represent the taxpayer, although, as in all courts, he may present his own case.

Department of Justice lawyers represent Taxation in appeals to the Exchequer Court and may be as-

sisted by a practising lawyer appointed by that Department.

The filing fee is \$15. Costs may be awarded at the discretion of the judge.

In Exchequer Court, the taxpayer must again present his case by way of evidence and argument regardless of any previous finding of the Tax Appeal Board.

SUPREME COURT

An appeal from a judgment of the Exchequer Court may be instituted by either the taxpayer or Taxation to the Supreme Court of Canada.

The appeal must be made within 60 days from the date of the judgment of the Exchequer Court. Appeals involving amounts of less than \$500 are not normally accepted. Decisions of the Supreme Court are final.

DISPOSITION OF APPEALS

Analysis of the number and disposition of formal appeals illustrates clearly that Taxation's policy of negotiation during the assessment stage eliminates much of the need for formal appeals and litigation.

In the fiscal year ended March 31, 1967, Taxation issued almost 7 million Notices of Assessment. In the same period 6,597 Notices of Objection were filed, representing one tenth of one percent of the assessments issued.

Of those objections that were not settled,

504 were appealed to the Tax Appeal Board,

158 were appealed directly to the Exchequer Court of Canada,

65 appeals from Board decisions were appealed to the Exchequer

Court of Canada, and 37 appeals from Exchequer Court of Canada decisions were appealed to the Supreme Court of Canada.

These statistics illustrate that the great majority of objections were abandoned or settled before formal appeal. A high percentage of formal appeals are also settled by negotiation prior to hearing before the Tax Appeal Board.

Of 257 appeals determined by the Tax Appeal Board during the calendar year 1967, the results were as follows:

- 179 or 70% were dismissed
- 51 or 19% were allowed in full
- 27 or 11% were allowed in part

As of March 31, 1967, there were 5,225 objections and appeals not yet disposed of; some 555 more than the previous year. Many of these cases have been carried forward from previous years and are awaiting hearings. They may be analyzed as follows:

Under review by District Offices	2,303
Under review by Head Office	2,023
Before the Tax Appeal Board	504
Before the Exchequer Court	361
Before the Supreme Court	34

LEGAL SERVICES

In 1967 all the Taxation lawyers were transferred to the staff of the Department of Justice. That Department is now responsible for providing all legal services required by Taxation.

Lawyers of the Taxation Services Section of the Department of Justice are located in Taxation Headquarters. They provide advice on many

questions concerning the interpretation of the Income Tax Act, the Estate Tax Act and the Canada Pension Plan, as well as on other legal matters in connection with the administration and enforcement of these statutes and the various provincial income tax acts. They assist and work with Taxation officials in drafting regulations, conducting investigations and inquiries and in taking collection actions to enforce the payment of taxes owing.

The Tax Litigation Section of the Department of Justice, which is located in the Headquarters of that Department, is responsible for all appeals to the Tax Appeal Board, the Exchequer Court of Canada and the Supreme Court of Canada arising under the tax legislation and for appeals to the Pension Appeals Board established under the Canada Pension Plan.

The Criminal Law Section of the Department of Justice is responsible for prosecutions arising in the course of enforcement of the various statutes. (The R.C.M.P. conduct most prosecutions for the failure to file returns, but if a case is contested the Department of Justice is responsible.)

Lawyers in the regional offices of the Department of Justice in Montreal, Toronto and Vancouver work closely with the Regional Appeal Offices of Taxation and conduct appeals in those regions as well as advising in connection with notices of objections. They also render certain other legal services to the Taxation Department in these areas.

In some matters, practising lawyers

are employed as agents of the Department of Justice on behalf of the Taxation Department.

Administration

Chapter Ten

In common with government generally, the work of Taxation has become increasingly complex in recent years.

Not only are tax laws more intricate but Canada Pension Plan provisions must be administered as well. There is the not inconsiderable work of collecting and accounting for provincial income taxes. And there is the dramatic impact made on all workloads by the introduction of computer processing.

For these and other reasons the Taxation headquarters administration was completely reorganized in 1968.

The number of executives reporting to the Deputy Minister dropped from 33 to seven, allowing for more line decisions. Separate Branches were set up for Personnel Administration and Financial Management.

It will take time to reap the benefits of these changes. But one thing is certain — Taxation has spared no effort to introduce a dynamic management philosophy and modern management techniques which can contribute to a more efficient discharge of its responsibilities.

COMPLIANCE BRANCH

Responsibility for the development of effective measures for ensuring taxpayer compliance in the filing of returns, and prompt payment of taxes, rests with this Branch which is headed by an Assistant Deputy Minister.

The Branch is responsible for current planning and policy making and is a repository of the technical skills essential to provide advice and direction on the interpretation and

application of the Acts and Regulations administered by Taxation.

It also provides direction for effective action in combating tax evasion and avoidance practices. The appeal and registration functions of Taxation also come within its area of responsibility.

There are nine divisions in the Compliance Branch, each with specific duties:

Technical Interpretations Division advises on complicated tax issues and tax legislation. It also interprets the law upon public enquiry or on questions raised by Taxation.

Audit Coverage Division develops programs to cope with the mammoth task of assessing and re-assessing tax returns at the District Taxation Offices and the Data Centre. The conduct of such programs at the District Offices requires the services of professional accountants, college graduates and high school graduates as assessors, field examiners and desk auditors.

Special Investigations Division plans and directs District Taxation Office activities leading to the prosecution or penalization of taxpayers guilty of tax evasion.

Review and Registrations Division handles tasks ranging from ensuring the uniform application of the tax laws to the registering of charitable and non-profit organizations. Of major importance is the registration of employees' pension and other benefit plans and the approval of special payments into pension plans with respect to past service. It is also concerned with the development of public forms and tax guides such as the T1 Short and T1 General.

Tax Avoidance Division is a new unit set up to study the wide variety of ways in which an individual or corporation can circumvent tax legislation. The public knowledge that Taxation is actively seeking to combat and control such schemes is of great value in maintaining public support of the whole Taxation system.

Canada Pension Plan and Payroll Deductions Division deals with CPP contributions and coverage as well as income tax deductions at source. International agreements are concluded which guarantee CPP rights to Canadians working for certain foreign governments.

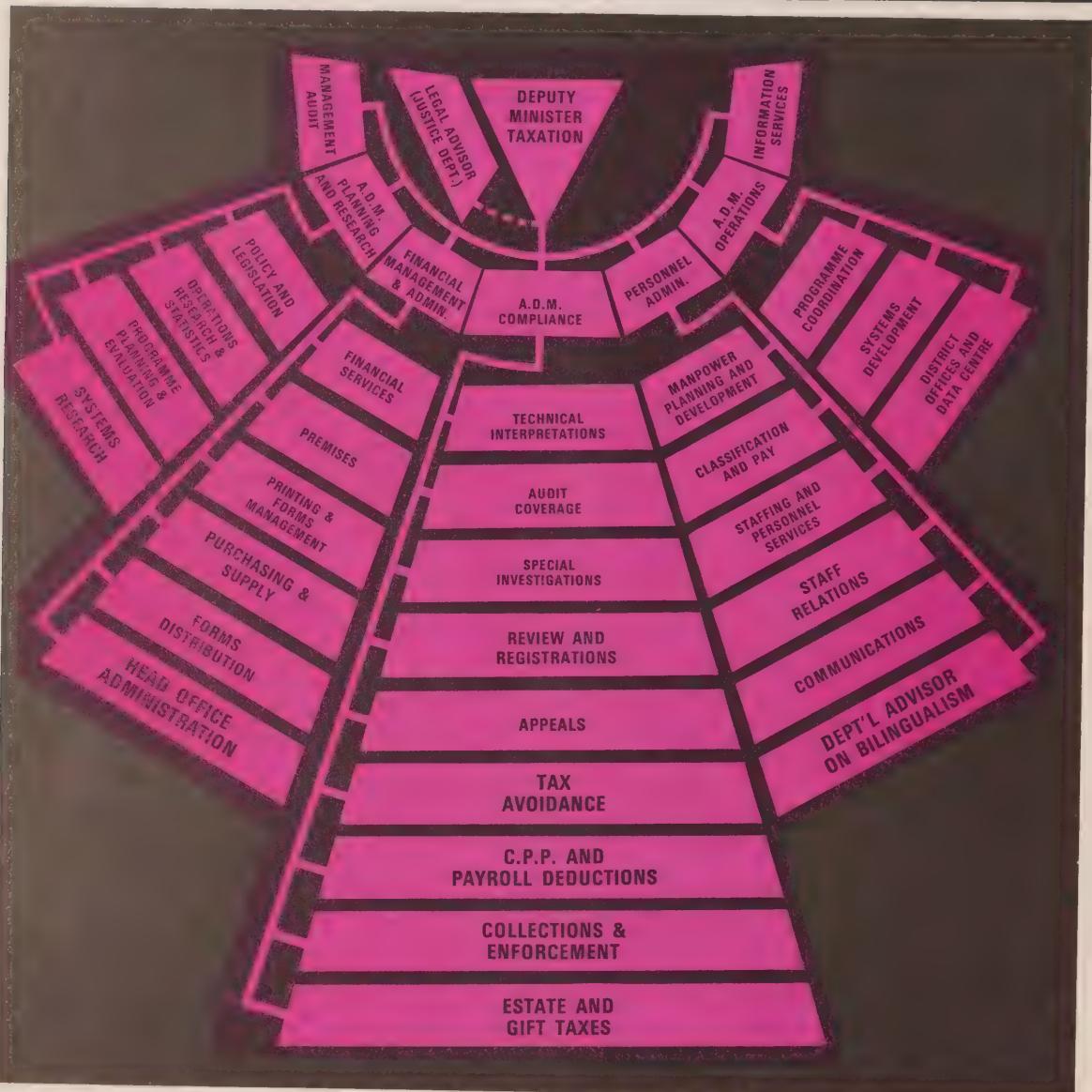
Collections and Enforcement Division devises policies and programs pertaining to the filing of returns, the collection of accounts and related enforcement actions.

Estate and Gift Tax Division advises on and directs activities and policy in connection with estate tax and gift tax assessing.

Appeals Division is concerned with dealing with taxpayers who have challenged Taxation rulings and wish to have disputes formally resolved.

OPERATIONS BRANCH

The main function of the Operations Branch is to control and direct the work of the 29 District Taxation Offices and the Data Centre. Operations is responsible for the collection of taxes and contributions imposed by the Income Tax Act, the Estate Tax Act and Part 1 of the Canada Pension Plan. It develops and modifies systems by which money is collected and recorded.

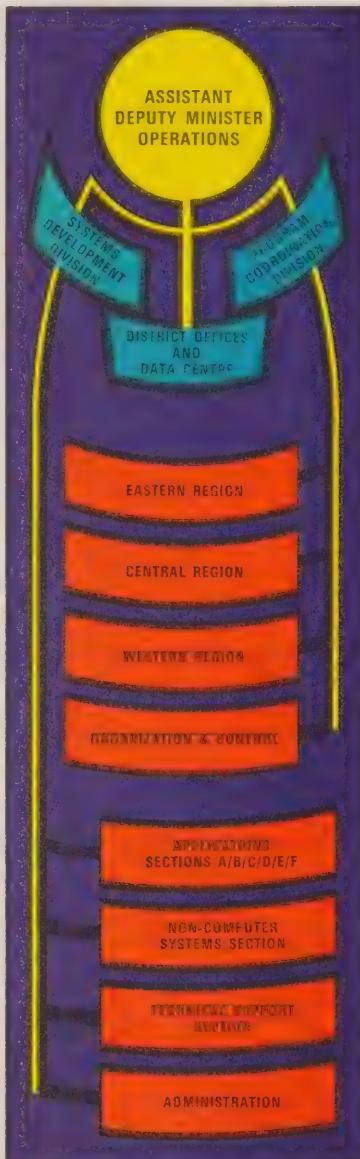




An Assistant Deputy Minister heads up Operations and the 29 District Taxation Office Directors, the Data Centre Director, and the Directors of Systems Development and Program Co-ordination Divisions report directly to him.

The Program Co-ordination Division channels the activities of the Data Centre and District Taxation Offices through regional co-ordinators. By this method it is able to:

- ... introduce and implement all tax administration programs at the district level;
- ... ensure uniform interpretation of policy and operating instructions;
- ... evaluate District Taxation Office performance of programs and advise headquarters on the efficiency and effectiveness of them, and



... ensure that District Taxation Offices are provided with the necessary resources to carry out their functions.

The use of regional co-ordinators makes it possible to assist and advise more effectively on common District Taxation Office problems; to gain greater participation from districts when formulating headquarter's plans and, finally, to assist the Planning and Research Branch in providing data essential for departmental planning and control purposes.

Systems Development Division works out new systems or modifies existing ones to meet the program objectives of Taxation. These systems are then turned over to programmers and systems analysts to be adapted to computer application. Systems also prepares or revises instructions required to install and operate such systems in the District Offices and the Data Centre.

PLANNING AND RESEARCH BRANCH

The Planning and Research Branch is relatively new, although it contains elements of previous units. Headed by an Assistant Deputy Minister, its responsibilities are clearly described by its name.

There are four divisions:

Policy and Legislation Division staff are selected for skill in accounting, tax law and tax administration. They advise the Department of Finance on the development of tax laws as well as the formulation of policy. They research and document weaknesses in the present law, and advise on the feasibility of new tax proposals.

This division also assists in the negotiation of tax treaties with foreign governments to prevent double taxation or evasion, and contributes to the development and operation of tax collection agreements with provincial governments.

Operations Research and Statistics Division employs mathematicians, statisticians and computer analyst-programmers who carry out programs of growing sophistication.

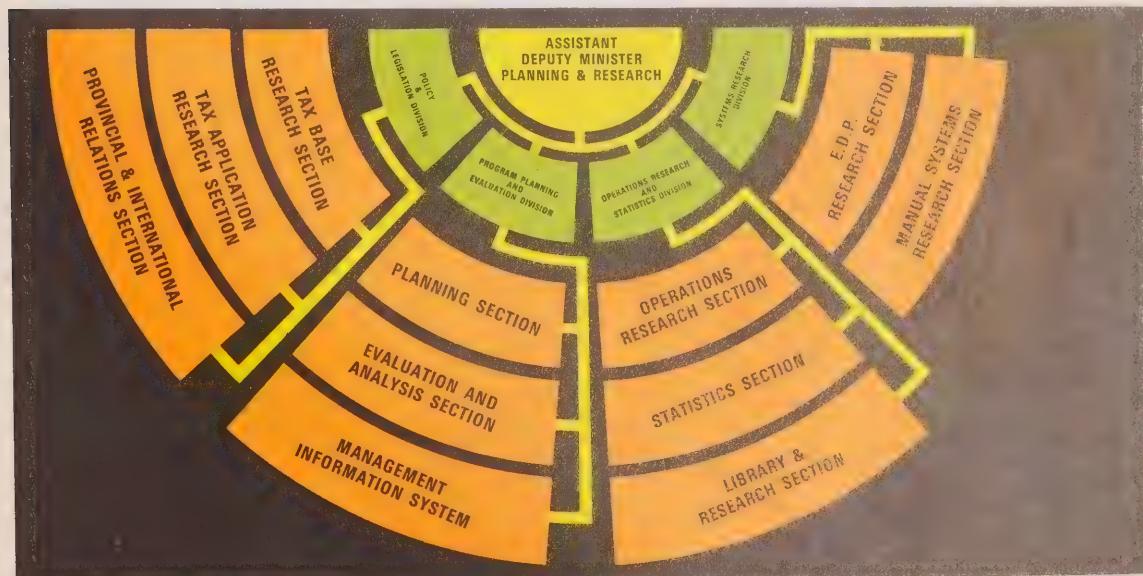
Programs developed here are designed to serve several related purposes — measure taxpayer compliance, achieve greater efficiency in the utilization of scarce tax audit and other enforcement personnel, measure workloads and staffing requirements by districts and regions, and so on.

Systems Research Division keeps Taxation at the forefront in the use of modern systems, especially electronic data processing. Continuous research and planning are necessary to keep abreast of technological developments which can reduce costs and increase efficiency.

This division examines old systems and researches new ones. An overall review of Taxation's total computer operation, for example, is currently under way with emphasis on how it affects work relationships between the 29 District Taxation Offices and the Data Centre. The possible use of random access storage and telecommunication links is being surveyed too. The regionalization of keypunch activity is under analysis, as is the use of optical scanners for computer-input purposes.

Program Planning and Evaluation Division. The relentless inevitability of the annual tax filing cycle compels Taxation to carry on a continuous program of short-range, operational planning. A need exists, however, to develop a long-range, multi-year plan from which the short-range annual plans will flow. The long-range plan spells out major department objectives and alternatives, as well as the programs and resources needed to meet them.

This division also analyzes present day departmental objectives and consolidates them into a single master plan covering all the programs designed to achieve them. A natural corollary to such planning activity would be the development of an information system to provide the data needed by management to



evaluate progress and reach broad decisions. This is already underway. Further, it must provide expertise in data evaluation to assist management in its analysis of both the costs and the accomplishments of programs.

FINANCIAL MANAGEMENT AND ADMINISTRATION BRANCH

This Branch, headed by a Director, conducts Taxation's program budgeting and responsibility accounting activities. It is also responsible for such departmental functions as accommodation and the acquisition of equipment, supplies and printed material.

These are the major divisions:

Financial Services Division develops programs to ensure effective estimating, reporting and controlling

of expenditures. It participates in planning by providing financial evaluation of various courses of action. It develops effective accounting and cost accounting systems incorporating budgetary and internal controls to meet departmental needs.

Printing and Forms Management Division ensures that the huge volume of income tax returns, information guides and other public forms is produced in an economical manner within an annual printing budget (in 1969) of \$1.25 million. It advises on the design and layout of forms so that economies can be effected by use of modern production techniques.

Forms Distribution Division conducts one of the largest preparation and mailing operations in Canada, handling annually more than

250 million pieces of paper. It is responsible for placing income tax returns and related material in the hands of the taxpayer. This is done by direct mail and by providing more than 10,800 Canadian post offices with alternate sources of supply.

Premises Division was unusually busy in 1969 as the occupancy date of the new \$25 million Headquarters and Data Centre complex at Confederation Heights drew near. The Head Office building replaces the 1940 "temporary" wartime structure on Sussex Drive and several other buildings under lease. The new Data Centre building, adjacent to the Head Office, will house the computers and staff now located elsewhere in the city.

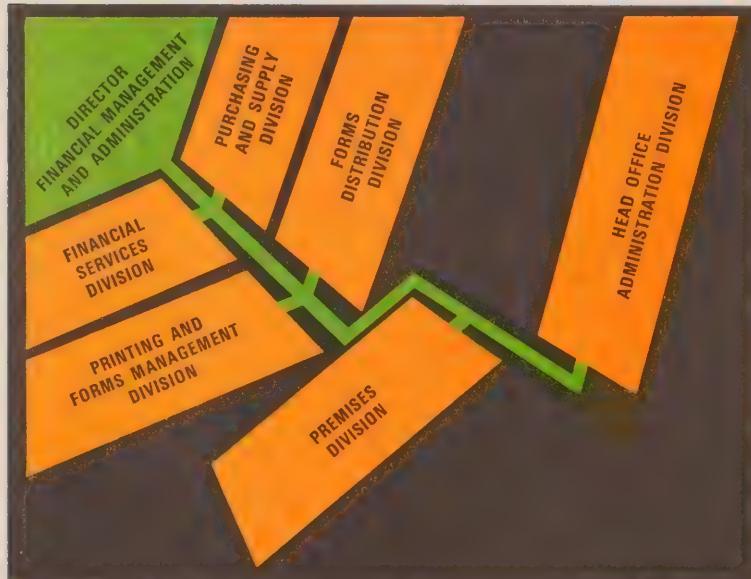
The moves, expected to be completed in early 1970, will bring all Head Office personnel together.

PERSONNEL ADMINISTRATION BRANCH

This new branch operates under a Director who is the chief departmental personnel management advisor. This branch develops personnel policies and programs designed to effect the maximum utilization of Taxation's manpower resources.

These are the major divisions:

Classification and Pay Administration Division employs job analysis and job evaluation to maintain job classification systems. Along with administering the salary and wage policies of all employees, information is provided to the Treasury Board regarding qualifications and pay for selected groups such as systems analysts and professional accountants.



Staff Relations Division is responsible for developing and implementing staff relations programs. It offers advice to District Taxation Offices and Branch Directors on the interpretation of labor agreements, the handling of grievances and disciplinary cases. From time to time the division helps negotiate agreements and represents Taxation in adjudication hearings.

Staffing and Personnel Services Division has a twofold role. First, it is responsible for the staffing of all branches of the Department. This means recruiting from outside Taxation as well as promoting and transferring from within. This work entails the effective use of appraisal and performance review programs in order to determine present day staff's promotions and transfers.

It is also responsible for maintaining employee records and personnel information systems in order to service the needs of Taxation as well as central agencies such as Treasury Board and the Public Service Commission.

The second main responsibility of Staffing and Personnel is the administration of fringe benefits for employees such as superannuation, medical and hospital programs, workmen's compensation, safety and health.

Manpower Planning and Development Division identifies manpower resources both inside and outside Taxation and makes these available to management through a manpower inventory. Also, in order to identify developmental needs and provide objective reviews of performance, it

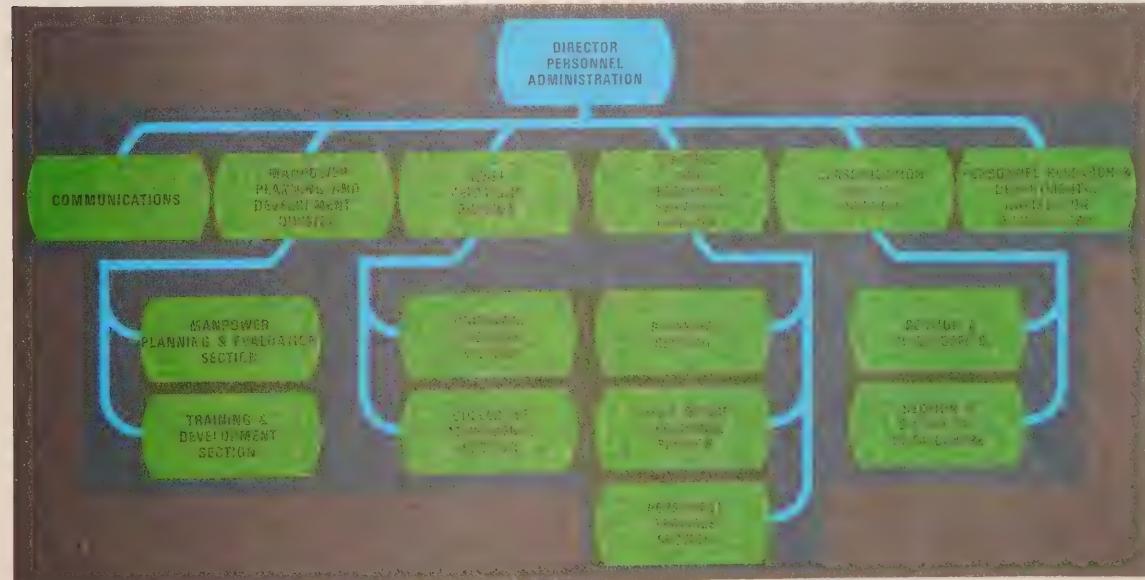
develops employee evaluation programs.

The division spearheads ongoing programs of organization development designed to take advantage of modern behavioural science knowledge. This may involve challenging present methods of planning, organizing, controlling, and directing, all the way to developing, with management, modern training programs. It is the training consultant centre of Taxation and offers guidance in career development.

Communications Division was recently created to monitor and improve internal communications and to maintain a healthy network of formal and informal information vehicles.

Special Offices

Complementing all divisions is a



personnel research section which also deals with language training requirements and programs.

There are 12 regional field personnel administrators who report to District Taxation Office Directors and get functional guidance and resources from Head Office Personnel Branch.

MANAGEMENT AUDIT BRANCH

This Branch, formerly called Inspection, is headed by a Director who answers directly to the Deputy Minister. Its main purpose is to perform a staff function for senior management by conducting a systematic independent appraisal of all departmental activities and assisting all levels of management in the effective discharge of their responsibilities by furnishing them with objective analyses, appraisals and recommendations concerning the activities reviewed.

The audit programs enable Taxation to evaluate the uniformity of application of departmental policies, programs and procedures in all Taxation offices as well as assess the effectiveness of security measures to protect Crown funds, property and the confidentiality of taxpayers' affairs.

INFORMATION SERVICES BRANCH

The Information Service was created in March 1964 to introduce modern communication techniques to a swiftly-changing Department.

Mushrooming clientele, growing technical sophistication and the steadily-increasing complexity of Taxation work logically suggested full employment of public relations.

duce a fresh outlook. The use of computers called for new methods and techniques which had to be explained in detail to obtain taxpayer compliance. In addition, there was a growing desire to satisfy a moral obligation and supply taxpayers with advice and assistance so that the Canadian self-assessment system could be maintained as an efficient, democratic part of life.

The Information Service has been guided in its programs by a public relations policy endorsed by management. That policy is:

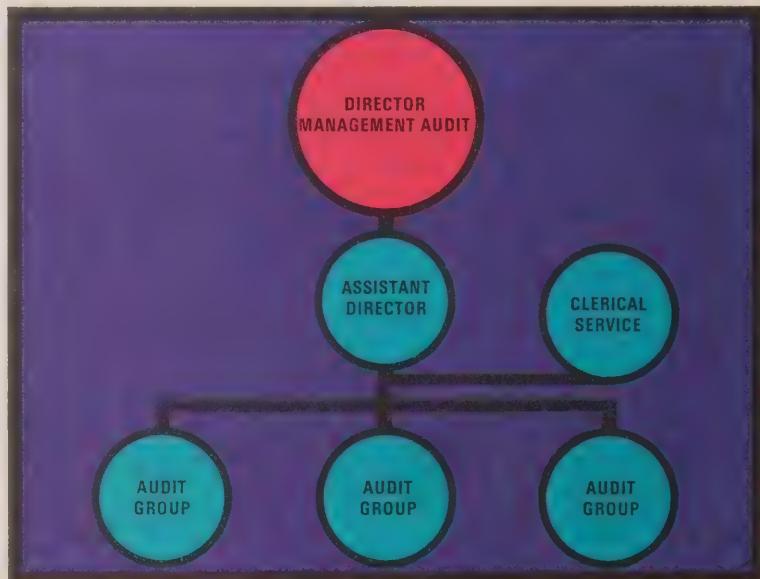
- 1 to provide information to taxpayers in order to improve compliance.
- 2 to continue treating taxpayers fairly and firmly, courteously and considerately, and
- 3 to gain the public's acceptance of operational procedures and under-

standing of the role of the tax assessor and collector.

To carry out these policies, experienced tax assessors in the Montreal and Toronto District Taxation Offices were designated as District Public Relations Officers. Throughout the other 27 districts a network of part-time PROs was created to function primarily during the filing season.

The first large task was to introduce "personalized" income tax returns in 1965. Some 7,000,000 of these returns were labelled with taxpayer's name, address and identification number and mailed directly to homes as part of the new electronic data processing procedures.

The objective was to persuade as many taxpayers as possible to use these returns which, because of the

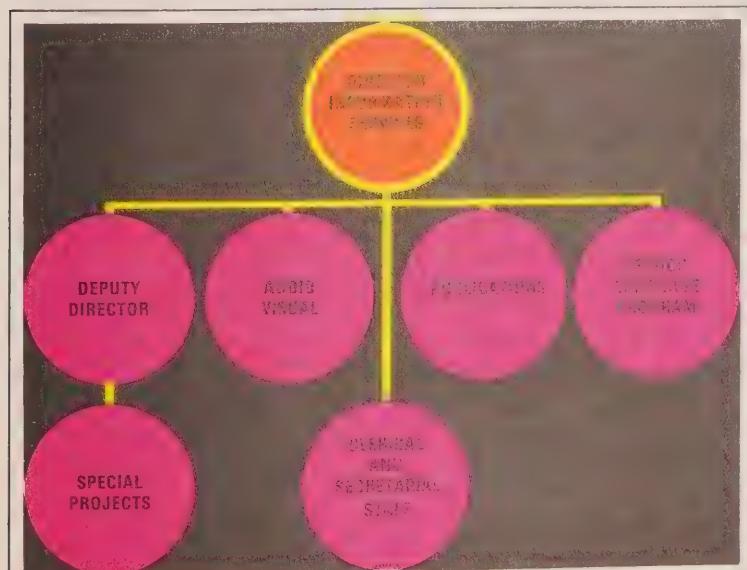


pre-printed label, provided more positive identification than other systems.

The personalized returns were accompanied by an explanatory brochure and the plan was reinforced by national newspaper advertising. A resounding 72.5% of taxpayers complied, and the figure reached 73.6% the following year.

The next major challenge was the need to provide information about the CPP. A booklet was mailed to more than 4,000,000 households and special points were detailed in national newspaper advertisements.

Filmstrips and pamphlets were developed for special groups. Employers, obliged to deduct, match and remit Canada Pension Plan contributions, were provided with information by handbook, tables,



direct mail messages and advertising.

As the Information Service became established, two main groups of programs evolved. One concerned the paid advertising and publicity programs through which information was channelled to the taxpayer. The other consisted of material offered free to media for use on a public service basis.

Daily newspapers have been used mainly to carry the more complicated messages and radio, television, car cards, direct mail and other forms of advertising have been used for the short message. A separate French campaign is also launched each year.

The other type of program carried out by the Information Service consists of material offered free to a

variety of media. Last year columns of tax tips were written and sent to all Canadian daily newspapers. They were also recorded and tapes sent to radio stations.

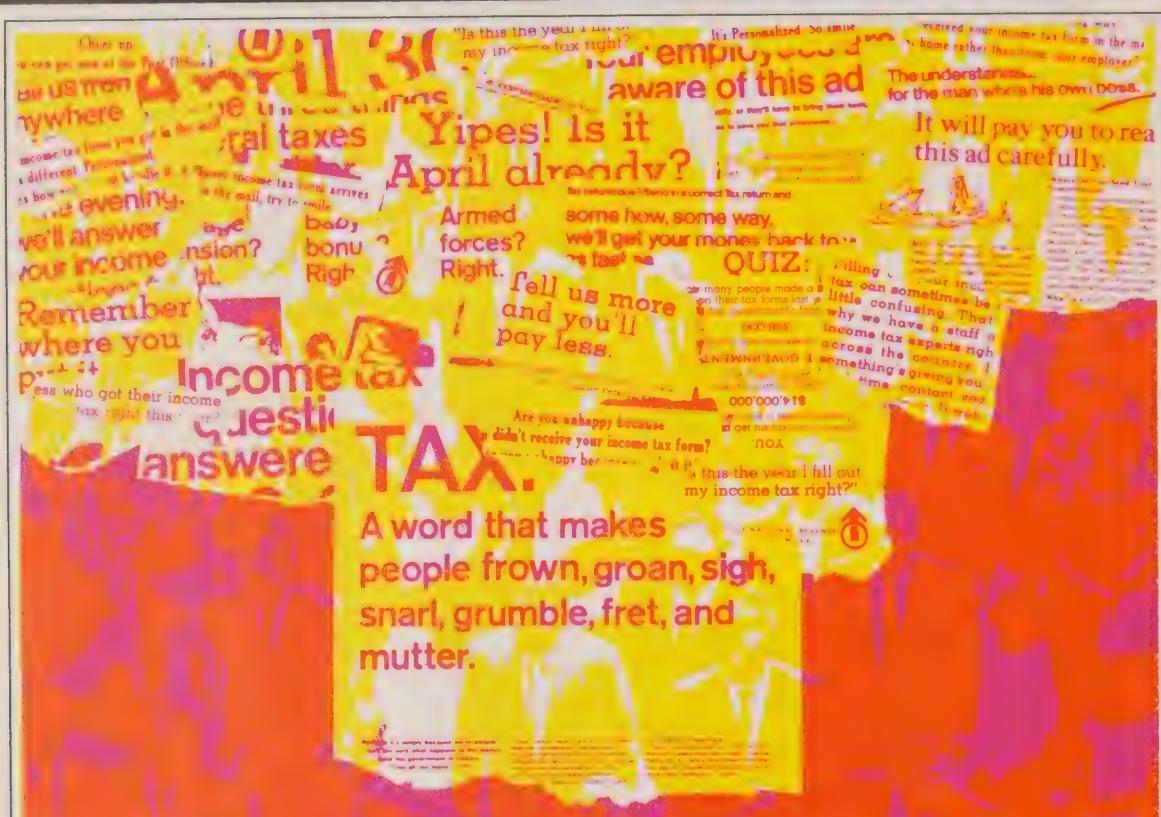
In the field, district PROs appeared on many open-line radio shows to answer telephoned tax questions. These programs have become so popular that it is not possible to accept all the invitations received.

Many other ways of reaching taxpayers have been tried. Special phone lines . . . different hours of work . . . toll-free ZENITH long distance lines . . . information kiosks in shopping centre malls . . . evening and Saturday service for the convenience of the taxpayer.

An unusual publication, "Twenty One Million Dollars A Day", was produced in 1965 and for the first time explained in detail how Taxation carries out the complicated task of collecting the nation's taxes. The tables at the end of this book, a successor to "Twenty One Million", were selected from an annual publication titled "Taxation Statistics" which has also been face-lifted for easier usage.

Four television films were created in 1968 to help tell the story to taxpayers at home as well as at public meetings. Films and tapes are being tested for high school teaching programs. Indeed, there is hardly a tool of modern communication that is not being profitably employed.

The Taxation advertising slogan for the past two years has been "We're Here to Help". Information Services really believes so.



Tax Forms

Chapter Eleven

Tax forms, so dear to the hearts of cartoonists at filing time, are the necessary means by which Canadians fulfil their obligations each year under the federal self-assessment tax system. The variety and complexity of these forms reflect the diversity of the income-earning activities of a modern society composed of millions of wage-earners, investors, business proprietors, farmers, professionals, executors, trustees, corporations and others.

Tax forms are of two kinds. First, there are tax returns on which taxpayers report their income or other taxable amounts and declare their taxes payable. Second, there are information returns on which employers, trustees and others report various kinds of payments they have made to taxpayers and the taxes they have deducted at source from those payments.

T1 SHORT – INDIVIDUALS

This is the form used by taxpayers who derive almost all of their income from salary or wages and most of whose tax has been deducted at source by their employers. Generally speaking, it reports the income of a calendar year and must be filed on or before April 30 following the end of the calendar year.

In 1968 more than eight million Canadians filed 1967 T1 Short forms. If they had filed the previous year, forms were mailed to their homes early in January, 1968. The remainder obtained theirs at local post offices. All T1 Shorts are filed directly to the Taxation Data Centre in Ottawa, together with cheque or money order to cover any balance still owing.

T1 GENERAL – INDIVIDUALS

This more complex form is filed by taxpayers who:

- received rents, commissions or professional fees
- were in business as proprietors or partners
- were farmers or fishermen
- had investment income over \$2,500
- claimed foreign tax credits or capital cost allowance
- wished to make additional CPP contributions on certain types of employment income.

As in the case of the T1 Short return of wage-earners, the T1 General ordinarily reports the income of a calendar year and must be filed on or before the following April 30. These return forms are mailed to the homes of taxpayers on record early in January each year or are obtained from post offices in other cases. They are filed directly to the Taxation Data Centre with cheque or money order to cover any balance still owing.

T2 – CORPORATIONS

T2 returns must be filed by all corporations, whether or not they have a taxable income for the year. This return must be filed within six months of the end of the corporation's fiscal year to the District Taxation Office for the area in which the corporation has its head office. In 1968 some 199,000 corporations filed T2 returns.

T3 – ESTATES AND TRUSTS

This form must be filed on behalf of an estate, trust or agency where:

- the total income of the estate or trust exceeds \$300

- the income distributable to any single beneficiary exceeds \$100
- any portion of the income is capitalized or accumulated in the trustee's hands
- any portion of the income is distributable to a non-resident beneficiary.

The return must be sent to a District Taxation Office within 90 days of the end of the taxation year of the estate or trust.

GT1 – GIFT TAX

Since October 23, 1968, a gift tax return must be filed by all individuals resident in Canada who made gifts in excess of \$2,000 during the taxation year (usually a calendar year) to any one person. It must be sent to a District Taxation Office not later than April 30 immediately following the year of the gift. A return for a gift made between October 23, 1968 and December 31, 1968, inclusive, must be filed on or before April 30, 1970.

An earlier schedule of rates and exemptions applied to gifts made from January 1, 1968 to October 23, 1968.

Effective October 23, 1968, a new principle was introduced into gift taxation. The amount on which the gift tax is now levied is cumulative and carries forward from year to year on the records of the taxpayer.

The gift tax in any taxation year is applied to the aggregate taxable value of the gifts made in that year, plus the cumulative gift sum for prior years. From that tax there may be deducted the gift tax determined in the same manner in the last applicable taxation year.

ET60 – ESTATES

A form ET60 is filed for all Canadian decedents if the total value of the property passing on death exceeds \$40,000. If less, a simplified form ET61 is used.

Executors or administrators file these forms within six months of the date of death or successors file these forms within nine months of the date of death at the District Taxation Office where the deceased filed his income tax returns or in whose district he resided at death.

Forms ET62 are required for the Canadian property of all foreign decedents. They are filed within six months of the date of death by executors or administrators or within nine months of the date of death by successors at Head Office in Ottawa.

T4-T4A – RETURN OF REMUNERATION PAID

The details of amounts paid to employees, pensioners and certain other individuals as well as the amounts withheld for pension and income tax purposes must be reported each calendar year. The individual reports are made on supplementary slips – either form T4 or form T4A.

The T4-T4A returns are sent to the District Taxation Office on or before the last day of February following the calendar year. On or before the same date, two copies of the T4 or T4A Supplementary Slips must also be furnished to the individual concerned.

Form T4 Supplementary is used by employers to report the amounts paid to their employees as salary, wages, bonuses and other amounts

for services as an officer or employee. In addition to providing information for income tax purposes, they serve as a source of data that is automatically credited to the employee's Canada Pension Plan Record of Earnings, which will form the basis on which his subsequent pension under the Canada Pension Plan will be calculated.

Form T4A Supplementary is used to report amounts paid as pensions, retirement or death benefits and other amounts that are not paid in the ordinary course of an office or employment.

OTHER INFORMATION RETURNS

NR1

Return of Income Received from Sources Within the United States on Behalf of Non-Residents of Canada.

NR4

Return of Amounts Paid or Credited to Non-Residents of Canada.

NR601

Non-Resident Ownership Certificate to be completed on the negotiation of interest coupons, dividend warrants, etc., by or on behalf of a non-resident of Canada.

T4PS

Return of Employees Profit Sharing Plan Allocations.

T4RSP

Return of Retirement Savings Plan Income.

T5

Return of Investment Income.

ET75

Report of payments by insurance companies, banks, employers and others of amounts paid after death.

T600/T600B

Ownership Certificates to be com-

pleted by persons negotiating bearer coupons or paying or crediting accrued bond interest.

All these forms may be obtained from District Taxation Offices. Where quantities are significant, time should be allowed for delivery from the main distribution centre.

Rate Structures

Chapter Twelve

Individual income tax is levied at graduated rates. The 1969 schedule of gross rates has remained unchanged since 1960.

The tax (which does not include Old Age Security Tax or the Social Development Tax) is computed after taking into account tax adjustments and the dividend tax credit. There is also an abatement of 20 percent of "basic tax" (or \$20 whichever is less) plus a provincial abatement that in 1969 was 28 percent of "Basic Tax" in all provinces except Quebec, where the rate was 50 percent to compensate that province for opting out of certain shared-cost programs.

A surtax of 4 percent is levied on foreign investment income in excess of \$2,400 or of the amount of the personal exemptions, whichever is the greater.

INDIVIDUAL INCOME TAX

The main individual income tax exemptions for 1969 were as follows:

For single status \$1,000

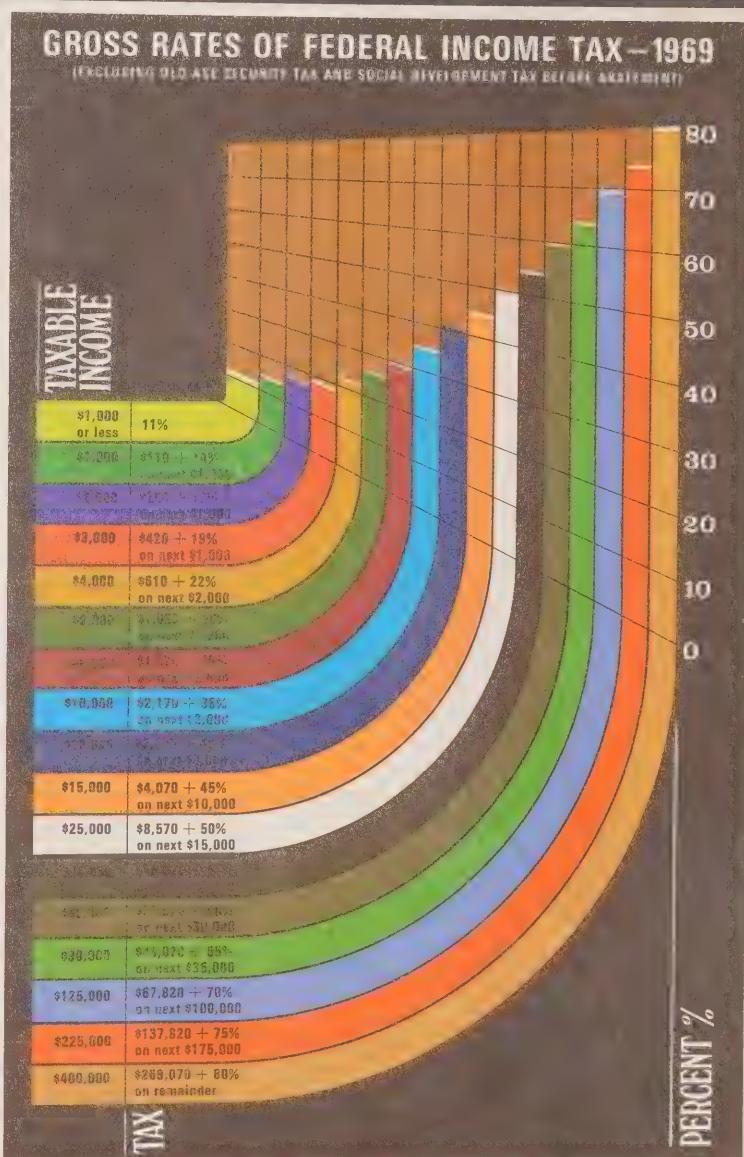
For married status \$2,000

Additional exemption for certain persons 65 years of age and over \$ 500

For each dependent child under age 16 at the end of 1969 \$ 300

For each dependent child age 16 or over in 1969 \$ 550

Allowable deductions from income include charitable donations up to 10 percent of net income and medical expenses in excess of 3 percent of net income. In lieu of claiming deductions for donations and medical expenses, an individual may instead claim a standard deduction of \$100.



NON-RESIDENT TAX

A tax is withheld on most interest, dividends, management fees, rents, royalties and certain other kinds of income paid to a non-resident. The usual rate is 15 percent but, for instance, a 10 percent rate applies to dividends paid to non-residents by corporations having a required degree of Canadian ownership.

CORPORATION INCOME TAX

The following rates apply to taxable income of corporations earned in the 1969 taxation year:

TAXABLE INCOME	RATE
First \$35,000	18%
Excess over \$35,000	47%

There are a number of exceptions to these general rates. If two or more corporations are "associated" as defined in Section 39 of the Income Tax Act, only the first \$35,000 of income earned by these corporations taken as a group is taxable at the rate of 18 percent. Investment companies, non-resident-owned investment corporations and electric, gas or steam utilities are subject to special rates.

The corporation tax rates above do not include Old Age Security Tax or the Temporary Surtax.

The federal tax payable is reduced by an abatement equal to 10 percent of the taxable income earned in each province to enable the provinces to levy their own taxes in this field. Credits for taxes paid to foreign countries and logging tax credits are also recognized.

GIFT TAX

Effective October 23, 1968, a new principle was introduced into gift taxation. The amount on which the

gift tax is now levied is cumulative and carries forward from year to year on the records of the taxpayer.

The gift tax in any taxation year is applied to the aggregate taxable value of the gifts made in that year, plus the cumulative gift sum for prior years. From that tax there may be deducted the gift tax determined in the same manner in the last applicable taxation year.

EXEMPTIONS

Since October 23, 1968, gifts to persons totalling \$2,000 or less each in the taxation year and all gifts to charitable organizations in Canada and Canadian governments, federal, provincial or municipal are exempt from tax. Where the total given to any one person is over \$2,000 in the taxation year, \$2,000 is deducted in determining the amount taxable.

There is no tax on any property gifted to a spouse which is established to be absolute.

In addition, a once-in-a-lifetime exemption of the lesser of the value of the gift or \$10,000 applies to the transfer of real estate from parent to child. This real estate must be used by the child, or the parent and child, in carrying on farming operations. However, this exemption does not apply if an exemption has been allowed in respect of a gift made previous to October 23, 1968, by the donor or his spouse for a gift of an interest in a residence to his spouse or the parent of farm property to his child.

OLD AGE SECURITY TAX

In addition to income tax, an old age security tax is levied by the federal government on the income of individ-

CUMULATIVE GIFT TAX TABLE

TAXABLE GIFT	TAX
\$ 15,000 OR LESS 12%
\$ 15,000	\$ 1,800 + 15%.....ON NEXT.....
\$ 30,000	\$ 4,050 + 18%.....ON NEXT.....
\$ 45,000	\$ 6,750 + 22%.....ON NEXT.....
\$ 60,000	\$ 10,050 + 26%.....ON NEXT.....
\$ 80,000	\$ 15,250 + 30%.....ON NEXT.....
\$100,000	\$ 21,250 + 36%.....ON NEXT.....
\$125,000	\$ 30,250 + 45%.....ON NEXT.....
\$150,000	\$ 41,500 + 60%.....ON NEXT.....
\$200,000	\$ 71,500 + 75%.....ON REMAINDER

duals and corporations at the following rates: Individuals — 4 percent of taxable income up to a maximum of \$240; Corporations — 3 percent of taxable income.

SOCIAL DEVELOPMENT TAX

Effective January 1, 1969, a Social Development Tax is payable which is equal to the lesser of 2 percent of an individual's taxable income for the year, or \$120.

TEMPORARY SURTAX

A Temporary Surtax of 3 percent is payable by all individuals whose "Basic Tax" is over \$200 in the taxation years 1968, 1969 and 1970. The Surtax is also applicable to corporations.

CANADA PENSION PLAN

CONTRIBUTION

Collection of these contributions

from employees, employers and self-employed persons began in January, 1966.

The rates, which apply to earnings above \$600 up to a maximum which is related to the cost of living index, are as follows:

EMPLOYEE — 1.8% of earnings
EMPLOYER — 1.8% of the employee's earnings

SELF-EMPLOYED — 3.6% of earnings

For 1969, the maximum earnings for which a contribution could be made rose from \$5,100 to \$5,200.

EXEMPTIONS

The first \$600 of each person's annual earnings is exempt from CPP contributions. Employees who earn \$600 or less in a year and self-employed persons who earn less than

\$800 in a year are exempted from coverage for that year.

ESTATE TAX

The estate tax is computed on the total taxable value of the estate. This is the value of the property of the estate after deducting the debts, the exempt property and the allowable exemptions.

Domestic estates with total net value of \$50,000 or less are not taxable. Credits are allowed in respect of provincial succession duties, foreign taxes, gift taxes, etc. The following rates apply in the case of persons domiciled in Canada. (In the case of persons domiciled outside Canada, the rate is 15 percent and few deductions or exemptions apply, except that where the Canadian property is \$5,000 or less, or \$15,000 or less in United States estates, there is no tax.)

EXEMPTIONS

Effective October 23, 1968, new legislation eased the tax burden on property passing between husband and wife.

There is now no tax on any property which passes to a spouse on the death of the deceased which is established to be absolute and indefeasible to such spouse.

There is an exemption of the lesser of the value of any property passing, on death, to a child, or \$10,000.

The Act provides other exemptions in special cases concerning children under age 26 and infirm children dependent on the deceased for support. Complete details are available from District Taxation Offices.

ESTATE TAX RATES

TAXABLE ESTATE	TAX
\$ 20,000	NIL
OR LESS	
	15%.....ON NEXT..... \$20,000
\$ 40,000	\$ 3,000 + 18%.....ON NEXT..... \$20,000
\$ 60,000	\$ 6,600 + 21%.....ON NEXT..... \$20,000
\$ 80,000	\$10,800 + 24%.....ON NEXT..... \$20,000
\$100,000	\$15,600 + 27%.....ON NEXT..... \$30,000
\$130,000	\$23,700 + 30%.....ON NEXT..... \$30,000
\$160,000	\$32,700 + 35%.....ON NEXT..... \$40,000
\$200,000	\$46,700 + 40%.....ON NEXT..... \$50,000
\$250,000	\$66,700 + 45%.....ON NEXT..... \$50,000
\$300,000	\$89,200 + 50%.....ON REMAINDER
AND OVER	

PROVINCIAL INCOME TAXES (except Quebec)

The collection of provincial income taxes by the federal government does two things: first, it eliminates the need for taxpayers to file separate returns to different governments, and, second, it provides uniformity of administration and of rules for determining taxable income.

Provincial taxes are reported on the federal individual or corporation tax returns and an accounting of assessed tax is made by the federal government to the various provincial governments. The provincial tax rates in force for 1969 for provinces entering into this agreement are:

	INDIVIDUALS	CORPORATIONS
	%	%
NEWFOUNDLAND.....	30.5.....	13.....
PRINCE EDWARD ISLAND.....	28.....	10.....
NOVA SCOTIA.....	28.....	10.....
NEW BRUNSWICK.....	35.5.....	10.....
ONTARIO.....	28.....
MANITOBA.....	33.....	11.....
SASKATCHEWAN.....	33.....	11.....
ALBERTA.....	30.5.....	10.5.....
BRITISH COLUMBIA.....	28.....	10.....

* The Rate for Ontario is omitted since this tax is not collected by the federal government.

NOTE: The rates for individuals are calculated on "Basic Tax" and for corporations on "Taxable Income" attributable to the province in each case.

Statistical Tables

SOME GENERAL TAX STATISTICS

1. Some Notes on the Tables.
2. Where Revenues come from, and where they go.
3. Taxation staff and costs of operation.
4. Comparison of returns, labor force and population.
5. Refunds 1960-1968.
6. Annual Net Collections for selected years.
7. General Statement of T1 Returns filed by Individual Canadians — Tax Years 1947 — 1967.
8. Distribution of Taxable Canadians According to Total Income — Tax Years 1947 — 1967
9. General Statement by Provinces of T1 Returns Filed by Individuals — Tax Year 1967
10. Taxable Canadians by Occupation Classes — Tax Years 1962 — 1967
11. Taxable Canadians by Occupation — Tax Year 1967
12. Total Returns Filed According to Occupation and Range of Total Income — Tax Year 1967
13. Total Returns Filed According to Age and Sex — Tax Year 1967
14. Miscellaneous Statistics Concerning T1 Returns of Individuals — Tax Year 1967
15. Taxable Canadians by ^{A/B} 89 Selected Cities — Tax Year 1967
16. Taxable Estates Assessed Under the Estate Tax Act — Fiscal Years 1966 — 1968

SOME NOTES ON THE TABLES

The book "Taxation Statistics" analyzing the tax returns of individuals is produced each year by National Revenue, Taxation, and published by the Queen's Printer at \$1.50. The 1969 edition of this publication, which has come to be known informally as the "Green Book," analyzes 1967 individual income tax returns and includes tables on tax collections and miscellaneous statistics. Corporation tax statistics are now published by the Dominion Bureau of Statistics.

Data from individual tax returns are obtained by analyzing a stratified sample. In this way details about occupation, sources of income, types and amounts of deductions, geographic areas, and so on, can be obtained economically and quickly. In reading Taxation Statistics it must be realized that the sampling technique used, while it produces quite accurate total figures, does result in some aberration for very small groups, particularly when inter-year comparisons are made.

Another result of sampling is that the statistics fall somewhat short of representing all the tax returns received for a given period. This is because the sampling process must be stopped at a predetermined point so that compilation of data can proceed. Returns filed after this cut-off date are thus not reflected in the final statistics but the shortfall is not judged to reduce the effectiveness of the statistics for most research purposes.

The tables in the following pages have been selected to give a general

picture of the range of statistics available.

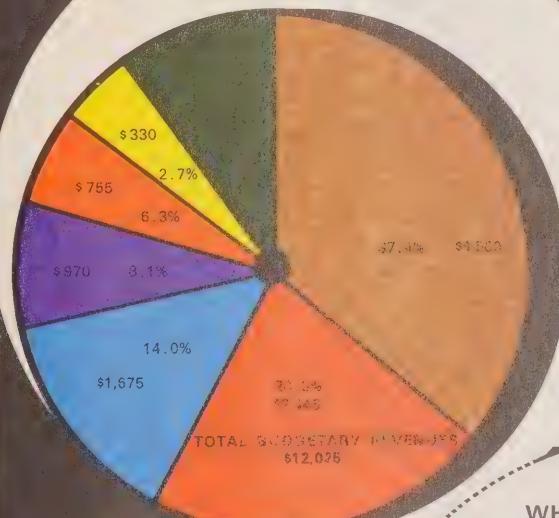
KEY

Personal income tax
Corporation income tax
Excise duties and taxes
Custom duties
Other <small>Non-resident withholding tax and estate tax</small>
Non-tax revenue sources <small>(post office, return on investments, etc.)</small>
Sales tax

All figures in \$ million

General government services
Foreign affairs
Defence
Intergovernmental fiscal transfer payments
Economic development
Health and welfare
Education, culture and recreation
Public debt charges
Transportation and communication
Unallocated expenditures

WHERE REVENUES FOR 1969/70 WILL COME FROM



BUDGETARY REVENUES

It is expected that total budgetary revenues in 1969/70 will amount to \$12,025 million.

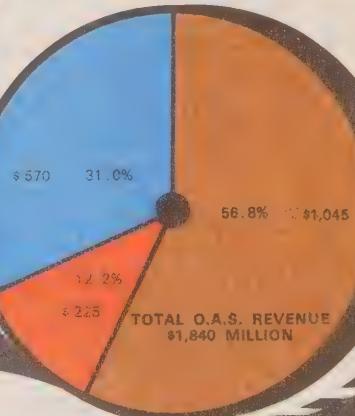
It is expected that total old age security revenues in 1969/70 will amount to \$1,840 million.

BUDGETARY EXPENDITURES

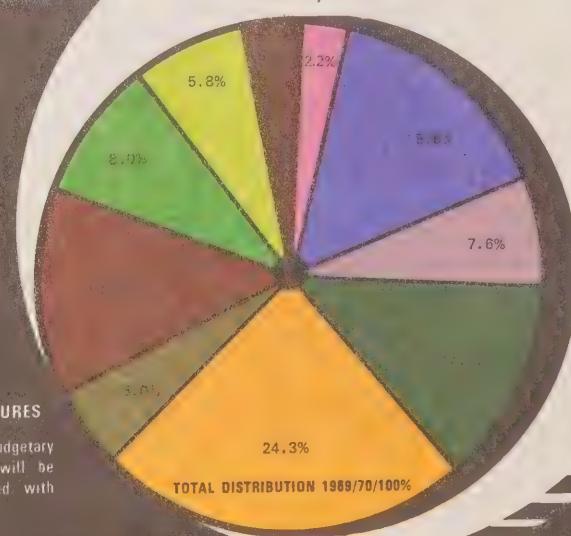
It is expected that total budgetary expenditures in 1969/70 will be \$11,650 million* compared with \$10,735 million in 1968/69.

*Before write-off of Expo deficit

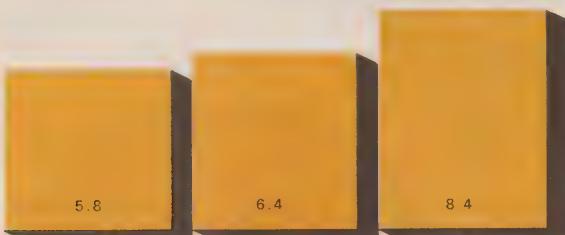
OLD AGE SECURITY REVENUES



WHERE EXPENDITURES IN 1969/70 WILL GO



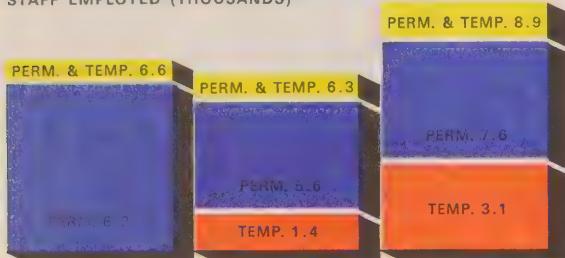
INDIVIDUAL AND CORPORATE RETURNS FILED (MILLIONS)



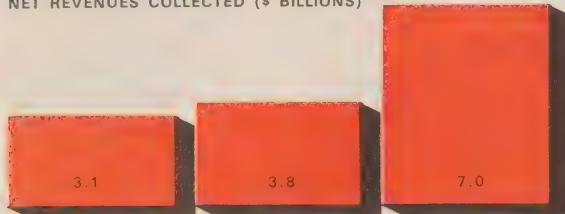
NET COST TO COLLECT \$100 OF TAX



STAFF EMPLOYED (THOUSANDS)



NET REVENUES COLLECTED (\$ BILLIONS)



TOTAL COSTS OF TAX COLLECTION (\$ MILLIONS)



1958

1963

1968

FISCAL YEARS ENDED MARCH 31st

COMPARISON OF RETURNS, LABOUR FORCE AND POPULATION



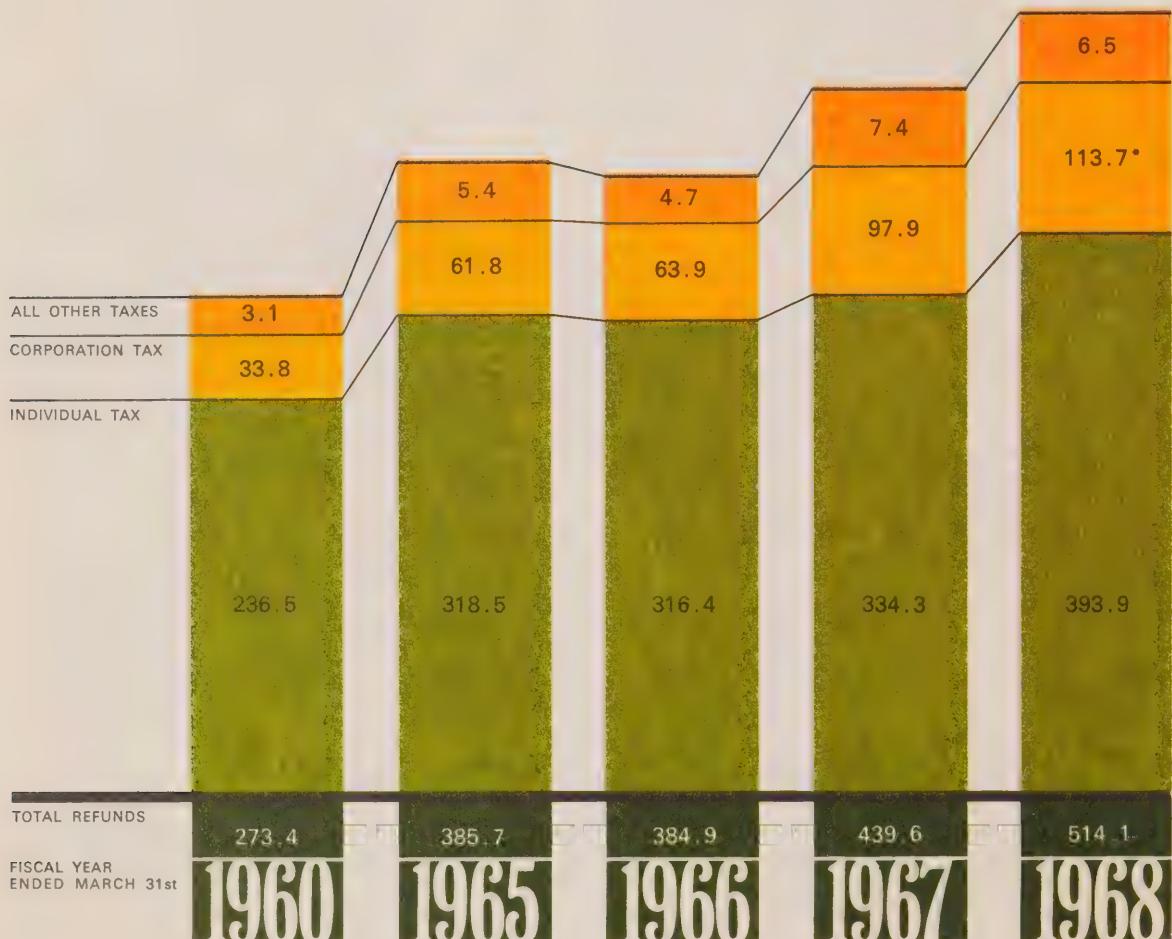
NOTE:

Returns for a taxation year have been counted to the end of the year of filing.

Number of returns filed can exceed labour force because it may include those in labour force at any time during the year and it includes some retired persons not in the labour force.

REFUNDS

ALL FIGURES ARE IN MILLIONS OF DOLLARS



* INCLUDES REFUNDS OF SPECIAL REFUNDABLE TAX

ANNUAL NET COLLECTIONS OF THE TAXATION DIVISION FOR SELECTED YEARS

(ALL MONEY FIGURES ARE IN MILLIONS OF DOLLARS)

FISCAL YEAR ENDED MARCH 31st	TAXES ON INDIVIDUAL INCOMES	CPP CONTRIBUTIONS	TAXES ON CORPORATE INCOMES	EXCESS PROFITS AND OTHER SPECIAL TAXES	NON-RESIDENT TAX	SUCCESSION DUTIES OR ESTATE TAX	TOTAL COLLECTIONS
1917	—	—	—	12.5	—	—	12.5
1920	13.2	—	7.1	44.1	—	—	59.0
1925	25.2	—	31.1	2.7	—	—	69.0
1930	27.2	—	41.8	.2	—	—	66.8
1935	25.2	—	35.8	—	5.8	—	134.4
1940	45.4	—	77.9	—	11.1	17.2	1,555.8
1945	767.8	—	276.4	465.8	28.6	29.9	1,300.8
1950	622.0	—	603.2	(1.8)	47.5	44.8	2,457.0
1955	1,284.4	—	1,066.5	—	61.3	88.4	3,148.2
1960	1,752.2	—	1,234.2	—	73.4	88.6	4,940.7
1965	2,903.9	—	1,804.5	—	143.7	108.4	5,336.1
1966	3,166.6	94.9	1,891.1	—	170.0	101.1	6,123.3
1967	3,747.5	587.5	1,874.9	196.2*	203.6	102.2	6,959.8
1968	4,610.5	640.6	1,987.5	39.1*	220.5	—	—

* SPECIAL REFUNDABLE TAX PAYABLE BY CORPORATIONS AND CERTAIN TRUSTS

GENERAL STATEMENT OF T1 RETURNS FILED BY INDIVIDUAL CANADIANS
TAX YEARS 1947-1967

TAXABLE RETURNS FILED

TAX YEAR	NUMBER ←	TOTAL INCOME	DEDUCTIONS CLAIMED \$ MILLIONS	TAXABLE INCOME	TAX PAYABLE	EFFECTIVE RATE ON:		NON- TAXABLE RETURNS FILED	TOTAL RETURNS FILED
						TOTAL INCOME	PERCENT		
1947	2,366,456	5,581	3,053	2,528	622	11.1	24.6	1,162,320	3,528,776
1948	2,689,930	6,761	3,576	3,185	648	9.6	20.3	972,100	3,662,030
1949	2,231,970	6,431	3,785	2,646	501	7.8	18.9	1,522,790	3,754,760
1950	2,374,240	7,033	4,066	2,967	575	8.2	19.4	1,491,920	3,866,160
1951	2,777,950	8,748	4,880	3,868	812	9.3	21.0	1,324,220	4,102,170
1952	3,125,100	10,274	5,573	4,701	1,072	10.4	22.8	1,270,610	4,395,710
1953	3,389,530	11,467	6,070	5,397	1,147	10.0	21.3	1,292,890	4,682,420
1954	3,410,160	11,707	6,171	5,536	1,097	9.4	19.8	1,393,250	4,803,410
1955	3,558,650	12,582	6,477	6,105	1,149	9.1	18.8	1,365,050	4,923,700
1956	3,908,176	14,356	7,125	7,230	1,291	9.0	17.9	1,282,575	5,190,751
1957	4,076,465	15,629	7,723	7,906	1,415	9.1	17.9	1,402,506	5,478,971
1958	4,048,252	16,225	8,082	8,145	1,383	8.5	17.0	1,482,244	5,530,496
1959	4,242,490	17,448	8,494	8,954	1,580	9.1	17.6	1,445,035	5,687,525
1960	4,389,766	18,578	8,851	9,727	1,784	9.6	18.3	1,460,845	5,850,611
1961	4,507,767	19,602	9,179	10,423	1,910	9.7	18.3	1,456,616	5,964,383
1962	4,681,227	20,764	9,656	11,108	2,022	9.7	18.2	1,456,000	6,137,227
1963	4,927,373	22,422	10,201	12,220	2,243	10.0	18.4	1,423,570	6,350,943
1964	5,301,219	25,174	11,002	14,172	2,719	10.8	19.2	1,418,373	6,719,592
1965	5,728,942	28,342	11,865	16,484	2,879	10.2	17.5	1,434,218	7,163,160
1966	6,276,579	32,597	13,210	19,415	3,366	10.3	17.3	1,456,546	7,733,125
1967	6,655,683	36,242	13,882	22,382	4,191	11.6	18.7	1,478,012	8,133,695

NOTES:

- TOTAL INCOME consists of net income from all sources before personal exemptions, pension contributions and standard or other deductions.
- TAX PAYABLE includes Old Age Security Tax from 1952 on, and Provincial Income Tax from 1962 on.
- In this and succeeding tables (except Table 8) the figures are derived by sampling intake to a "cut-off" date each year. For this reason they fall very slightly short of representing the total picture for any tax year.

DISTRIBUTION OF TAXABLE CANADIANS ACCORDING TO TOTAL INCOME

TAX YEARS 1947-1967

NUMBER WITH TOTAL INCOME IN THE RANGES BELOW

TAX YEAR	UNDER \$2,000	\$2,000 TO \$2,999	\$3,000 TO \$3,999	\$4,000 TO \$4,999	\$5,000 TO \$9,999	\$10,000 TO \$24,999	\$25,000 AND OVER	TOTAL NUMBER OF TAXABLE RETURNS
1947	1,238,560	773,780	186,400	63,400	76,190	24,567	3,559	2,366,456
1948	1,196,500	1,001,260	280,670	85,310	93,590	27,760	4,840	2,689,930
1949	745,520	848,960	368,090	117,040	113,570	33,460	5,330	2,231,970
1950	747,060	889,900	434,200	134,380	125,420	36,890	6,390	2,374,240
1951	732,910	961,620	643,650	211,750	176,890	42,870	8,260	2,777,950
1952	736,680	986,520	808,750	303,210	230,300	51,140	8,500	3,125,100
1953	756,430	991,490	903,620	381,380	292,140	55,210	9,260	3,389,530
1954	740,040	980,130	916,230	397,190	307,900	58,480	10,190	3,410,160
1955	730,490	983,900	947,930	459,540	360,430	65,660	10,700	3,558,650
1956	748,969	993,830	1,015,449	573,162	490,804	73,848	12,114	3,908,176
1957	708,119	975,834	1,052,061	640,005	600,276	86,843	13,327	4,076,465
1958	650,257	893,868	1,016,281	695,875	676,240	100,612	15,119	4,048,252
1959	662,240	886,585	1,012,718	756,219	797,271	111,169	16,288	4,242,490
1960	653,920	876,235	998,741	805,264	913,885	124,032	17,689	4,389,766
1961	642,841	876,115	976,212	836,780	1,015,124	141,363	19,332	4,507,767
1962	623,971	874,307	968,851	859,289	1,173,963	160,128	20,718	4,681,227
1963	674,218	896,573	961,440	883,770	1,306,679	182,082	22,611	4,927,373
1964	673,474	909,264	984,254	929,584	1,562,635	214,184	27,824	5,301,219
1965	695,135	932,921	999,015	945,585	1,860,115	263,900	32,271	5,728,942
1966	742,443	940,942	1,044,646	967,104	2,195,334	347,761	38,349	6,276,579
1967	745,413	920,507	1,026,477	977,456	2,490,063	447,690	48,077	6,655,683

NOTES:

- TOTAL INCOME consists of net income from all sources before personal exemptions, pension contributions, and standard or other deductions.
- Although the minimum personal exemption for a year was increased to \$1,000 in 1949, some taxpayers declaring total income of less than that amount are nevertheless taxable. Examples are immigrants and emigrants who receive only a partial year's exemption in the year of migration.

GENERAL STATEMENT BY PROVINCES OF T1 RETURNS FILED BY INDIVIDUALS
TAX YEAR 1967

(ALL MONEY FIGURES EXCEPT AVERAGES ARE IN MILLIONS OF DOLLARS)

	NUMBER OF RETURNS	TOTAL INCOME	TOTAL EXEMPTIONS AND DEDUCTIONS	TAXABLE INCOME	TOTAL TAX PAYABLE	FEDERAL INCOME TAX PAYABLE	PROVINCIAL INCOME TAX PAYABLE	OLD AGE SECURITY TAX PAYABLE
TAXABLE RETURNS								
Newfoundland	93,825	\$ 436.3	\$ 206.7	\$ 230.5	\$ 45.9	\$ 26.9	\$ 11.0	\$ 8.0
Prince Edward Island	20,749	86.2	41.9	44.5	8.4	4.8	2.0	1.6
Nova Scotia	192,664	903.3	409.4	495.0	95.7	55.5	22.8	17.4
New Brunswick	146,402	678.7	311.8	367.8	71.4	41.4	17.0	12.9
Quebec	1,727,650	9,225.0	3,683.6	5,546.7	658.8	472.0	186.6	
Ontario	2,703,884	15,303.7	5,536.0	9,774.8	2,074.1	1,244.9	503.3	325.9
Manitoba	303,990	1,532.2	623.8	909.5	192.7	109.1	52.3	31.3
Saskatchewan	269,048	1,382.3	575.6	807.8	169.3	95.7	45.7	27.9
Alberta	474,366	2,560.9	985.3	1,577.4	326.4	194.3	78.5	53.6
British Columbia	705,930	4,028.9	1,473.4	2,557.0	532.7	317.4	128.4	86.9
Northwest Territories	6,308	38.1	12.7	25.5	5.3	4.4	—	.9
Yukon	5,746	35.8	10.9	25.0	5.3	4.4	—	.9
Non-Residents	5,121	30.5	10.5	20.2	4.5	3.9	—	.6
CANADA	6,655,683	36,241.9	13,881.6	22,381.6	4,190.5	2,574.7	861.2	754.4
<i>Average per taxpayer</i>		\$ 5,445	\$ 2,086	\$ 3,363	\$ 630	\$ 387	\$ 129	\$ 113
NON TAXABLE RETURNS								
Newfoundland	45,217	\$ 58.1	\$ 91.9	—				
Prince Edward Island	10,331	12.9	20.2	—				
Nova Scotia	65,255	76.0	117.4	.1				
New Brunswick	57,586	66.1	104.1	.5				
Quebec	368,277	443.7	682.1	2.6				
Ontario	508,552	493.5	809.2	17.2				
Manitoba	81,610	87.7	144.1	.7				
Saskatchewan	80,799	98.6	156.4	1.9				
Alberta	121,706	124.7	219.6	3.0				
British Columbia	132,273	131.0	212.9	.3				
Northwest Territories	2,345	2.1	4.5	—				
Yukon	918	.7	1.5	—				
Non-Residents	3,143	.3	5.5	.1				
CANADA	1,478,012	1,595.4	2,569.4	26.3				
<i>Average per filer</i>		\$ 1,079	\$ 1,738	—				
ALL RETURNS								
Newfoundland	139,042	\$ 494.4	\$ 298.6	\$ 230.5				
Prince Edward Island	31,080	99.1	62.0	44.5				
Nova Scotia	257,919	979.2	526.8	495.0				
New Brunswick	203,988	744.8	416.0	368.3				
Quebec	2,095,927	9,668.6	4,365.8	5,549.3				
Ontario	3,212,436	15,797.2	6,345.1	9,792.0				
Manitoba	385,600	1,619.9	767.9	910.2				
Saskatchewan	349,847	1,480.9	732.0	809.7				
Alberta	596,072	2,685.6	1,204.9	1,580.4				
British Columbia	838,203	4,159.9	1,686.3	2,557.3				
Northwest Territories	8,653	40.2	17.2	25.5				
Yukon	6,664	36.5	12.4	25.0				
Non-Residents	8,264	30.8	16.0	20.2				
CANADA	8,133,695	37,837.2	16,451.0	22,407.9				
<i>Average per filer</i>		\$ 4,652	\$ 2,023	—				

NOTES:

- In this and other tables in this report, income figures, especially average figures, should not be taken as representing all income earners in Canada. They represent only data in respect of persons who have filed tax returns.
- Allocation of tax filers by province has been made on the basis of declared province of residence on the last day of the year.
- While taxable income is recorded on some non-taxable returns, no tax is payable in such cases after the application of tax adjustments and tax credits.

TAXABLE CANADIANS BY OCCUPATION CLASSES
TAX YEARS 1962-1967

	1962	1963	1964	1965	1966	1967	PER CENT OF TOTAL 1967
NUMBER OF TAXABLE RETURNS							
Employees	4,090,943	4,295,491	4,606,207	4,978,382	5,478,233	5,788,100	87.0
Farmers	86,585	92,026	106,614	119,511	145,828	148,725	2.2
Fishermen	4,836	4,177	5,755	5,476	8,848	8,732	0.1
Professionals	47,897	47,266	49,172	52,134	50,491	54,742	0.8
Salesmen *	54,441	51,311	59,723	66,185	17,661	18,556	0.3
Business	195,599	214,007	224,153	233,670	250,399	255,103	3.8
Investors and Property Owners	133,052	147,424	160,452	175,736	191,828	210,351	3.2
Pensioners	51,220	61,912	78,943	91,719	125,874	161,267	2.4
Other	12,468	13,759	10,200	6,129	7,417	10,107	0.2
TOTALS	4,681,227	4,927,373	5,301,219	5,728,942	6,276,579	6,655,683	100.0
TAX PAYABLE IN MILLIONS OF DOLLARS	\$	\$	\$	\$	\$	\$	
Employees	1,570.2	1,750.4	2,123.2	2,260.6	2,714.2	3,409.6	81.4
Farmers	34.4	38.4	52.3	60.6	73.7	92.7	2.2
Fishermen	2.9	2.1	3.0	3.4	5.4	4.2	0.1
Professionals	129.8	144.6	168.7	173.9	192.0	237.3	5.6
Salesmen *	36.6	38.1	51.8	57.4	13.4	16.7	0.4
Business	117.5	132.6	153.3	155.4	171.2	194.2	4.6
Investors and Property Owners	113.2	118.5	146.3	145.7	162.6	191.0	4.6
Pensioners	9.8	12.2	16.2	19.9	30.8	40.4	1.0
Other	5.7	6.1	4.4	2.4	2.7	4.4	0.1
TOTALS	2,021.8	2,243.0	2,719.2	2,879.3	3,366.1	4,190.5	100.0

* Prior to 1966, includes both employed and self-employed. From 1966 the definition was changed to include only self-employed.

TAXABLE CANADIANS BY OCCUPATION

TAX YEAR 1967

Arranged in order of Average Income

OCCUPATION	NUMBER	AVERAGE INCOME	TOTAL INCOME (in Millions)	PER CENT OF GRAND TOTAL	AVERAGE TAX	TOTAL TAX (in Millions)	PER CENT OF GRAND TOTAL
ALL TAXPAYERS:							
Self Employed Doctors & Surgeons...	16,509	27,347	451.5	1.25	7,324	120.9	2.89
Self Employed Engineers & Architects...	2,572	22,111	56.9	.16	5,349	13.8	.33
Self Employed Lawyers & Notaries...	8,462	22,014	186.3	.51	5,623	47.6	1.14
Self Employed Dentists...	5,108	18,273	93.3	.26	4,208	21.5	.51
Self Employed Accountants...	5,125	14,517	74.4	.21	2,914	14.9	.36
Other Self Employed Professionals...	11,246	7,672	86.3	.24	1,236	13.9	.33
Self Employed Salesmen...	18,556	7,062	131.0	.36	900	16.7	.40
Investors...	158,552	6,844	1,085.2	2.99	945	149.9	3.58
Business Proprietors (See below)...	255,103	6,269	1,599.2	4.41	761	194.2	4.64
Self Employed Entertainers & Artists...	5,720	6,224	35.6	.10	816	4.7	.11
Property Owners...	51,799	5,984	310.0	.86	793	41.1	.98
Farmers...	148,725	5,530	822.4	2.27	624	92.7	2.21
Employees (See below)...	5,788,100	5,300	30,677.2	84.65	589	2,409.6	81.36
Fishermen...	8,732	4,796	41.9	.12	481	4.2	.10
Unclassified...	10,107	4,047	40.9	.11	436	4.4	.11
Pensioners...	161,267	3,410	549.9	1.50	251	40.4	.95
Total...	6,655,683	5,445	36,241.9	100.00	630	4,190.5	100.00
BUSINESS PROPRIETORS:							
Finance...	1,467	14,762	21.7	.06	3,431	5.0	.12
Real Estate...	2,132	9,996	21.3	.06	1,741	3.7	.09
Insurance Agents...	2,450	9,875	24.2	.07	1,737	4.3	.10
Wholesale Trade...	9,110	7,996	72.8	.20	1,152	10.5	.25
Business Service...	2,082	6,924	14.4	.04	971	2.0	.05
Manufacturing...	10,155	6,790	69.0	.19	876	8.9	.21
Retail Trade...	93,903	6,684	627.7	1.73	805	75.6	1.80
Recreation Services...	2,933	6,323	18.5	.05	837	2.5	.06
Construction...	40,014	6,183	247.4	.68	722	28.9	.69
Other Business...	3,018	6,143	18.5	.05	66	2.3	.06
Forestry...	2,288	5,925	13.6	.04	665	1.5	.04
Other Services...	61,708	5,286	326.2	.90	595	36.7	.88
Public Utilities...	23,845	5,197	123.9	.34	518	12.3	.29
TOTAL...	255,103	6,269	1,599.2	4.41	761	194.2	4.64
EMPLOYEES:							
Teachers & Professors...	260,706	6,267	1,633.9	4.51	792	206.5	4.93
Federal Government...	239,804	5,839	1,400.2	3.86	660	158.3	3.78
Municipal Governments...	244,901	5,547	1,358.5	3.75	564	138.2	3.30
Provincial Governments...	276,754	5,535	1,531.8	4.23	588	162.7	3.88
Business Enterprises...	4,268,506	5,341	22,799.4	62.91	600	2,559.6	61.08
Institutions...	388,902	4,016	1,561.9	4.31	384	149.4	3.57
Unclassified...	108,527	3,605	391.3	1.08	321	34.8	.83
TOTAL...	5,788,100	5,300	30,677.2	84.65	589	3,409.6	81.37

NOTES:

• INCOME figures in this table consist of net income from all sources before personal exemptions, pension contributions, and standard or other deductions.

• OCCUPATION in this table is determined by chief source of income. For example, a lawyer or doctor whose chief source of income is salary is classified as an employee, if investments, as an investor, etc.

TOTAL RETURNS FILED ACCORDING TO OCCUPATION AND RANGE OF TOTAL INCOME
TAX YEAR 1967

NUMBER OF TAXABLE RETURNS WITH TOTAL INCOME IN THE RANGES BELOW

OCCUPATION	NUMBER OF NON- TAXABLE RETURNS	NUMBER OF TAXABLE RETURNS WITH TOTAL INCOME IN THE RANGES BELOW							TOTAL NUMBER OF RETURNS FILED
		UNDER \$3,000	\$3,000 TO \$3,999	\$4,000 TO \$4,999	\$5,000 TO \$9,999	\$10,000 TO \$14,999	\$15,000 TO \$24,999	\$25,000 AND OVER	
ALL TAXPAYERS:									
Self Employed Doctors & Surgeons....	152	174	141	186	1,467	1,664	4,683	8,194	10,661
Self Employed Engineers & Architects..	135	46	90	43	568	489	646	690	2,707
Self Employed Lawyers & Notaries....	176	184	124	211	1,356	1,581	2,522	2,504	8,638
Self Employed Dentists.....	33	145	172	104	770	988	1,827	1,102	5,141
Self Employed Accountants.....	257	379	352	128	1,342	1,134	1,167	623	5,382
Other Self Employed Professionals....	2,202	3,149	1,708	982	2,626	1,347	1,040	394	13,448
Self Employed Salesmen.....	4,450	3,306	2,726	2,066	6,737	2,417	1,021	283	23,006
Investors.....	40,361	63,060	24,372	15,454	31,476	10,939	7,365	5,886	198,913
Business Proprietors (See below).....	88,933	52,042	41,910	36,483	89,429	22,775	9,679	2,785	344,036
Self Employed Entertainers & Artists...	1,473	1,762	649	753	1,630	530	296	100	7,193
Property Owners.....	32,082	18,745	8,299	5,270	12,605	3,396	2,256	1,228	83,881
Farmers.....	143,820	37,350	28,246	21,506	45,938	10,673	4,088	924	292,545
Employees (See below).....	1,008,044	1,388,753	881,784	874,097	2,271,102	273,147	76,175	23,042	6,796,144
Fishermen.....	5,338	2,495	1,752	1,560	2,305	508	104	8	14,070
Unclassified.....	62,222	5,731	1,024	1,012	1,738	396	114	92	72,329
Pensioners.....	88,334	88,619	33,128	17,601	18,974	2,064	659	222	249,601
TOTAL.....	1,478,012	1,665,920	1,026,477	977,456	2,490,063	334,048	113,642	48,077	8,133,695
BUSINESS PROPRIETORS:									
Finance.....	411	125	95	160	419	250	216	202	1,878
Real Estate.....	330	253	188	154	773	421	231	112	2,462
Insurance Agents.....	233	275	207	219	841	568	263	77	2,683
Wholesale Trade.....	2,731	1,033	1,205	1,384	3,416	1,170	652	250	11,841
Business Service.....	567	475	288	223	733	204	124	35	2,649
Manufacturing.....	2,820	1,879	1,741	1,239	3,636	978	507	175	12,975
Retail Trade.....	29,226	14,801	14,324	13,743	35,918	10,035	4,057	1,025	123,129
Recreation Services.....	1,456	605	468	416	1,073	220	115	36	4,389
Construction.....	11,810	7,012	6,421	5,825	15,764	3,430	1,290	272	51,824
Other Business.....	1,451	660	452	486	1,077	213	87	43	4,469
Forestry.....	1,584	545	329	376	773	159	81	15	3,872
Other Services.....	23,728	18,397	11,167	8,687	17,649	3,729	1,628	439	85,434
Public Utilities.....	12,586	5,982	5,015	3,561	7,357	1,398	428	104	36,431
TOTAL.....	88,933	52,042	41,910	36,483	89,429	22,775	9,679	2,785	344,036
EMPLOYEES:									
Teachers & Professors.....	14,654	41,639	24,624	39,196	120,348	28,674	5,914	311	275,360
Federal Government.....	32,400	33,494	29,629	37,662	120,267	14,040	4,148	564	272,204
Municipal Governments.....	37,686	39,707	25,291	33,995	135,816	8,154	1,821	117	282,587
Provincial Governments.....	43,631	45,129	42,368	53,823	114,685	16,633	3,844	272	320,385
Business Enterprises.....	756,062	1,041,082	640,817	627,958	1,682,453	197,816	57,474	20,906	5,024,568
Institutions.....	79,400	136,322	96,145	65,552	81,676	5,964	2,483	760	468,302
Unclassified.....	44,211	51,380	22,910	15,911	15,857	1,866	491	112	152,738
TOTAL.....	1,008,044	1,388,753	881,784	874,097	2,271,102	273,147	76,175	23,042	6,796,144

NOTES:

• TOTAL INCOME figures in this table consist of net income from all sources before personal exemptions, pension contributions, and standard or other deductions.

• OCCUPATION in this table is determined by chief source of income. For example, a lawyer or doctor whose chief source of income is salary is classified as an employee, if investments, as an investor, etc.

TOTAL RETURNS FILED ACCORDING TO AGE AND SEX
TAX YEAR 1967

AGE	Non-Taxable Returns		Taxable Returns		Total Returns		Grand Total
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
Under 25	284,036	227,618	832,281	575,363	1,116,317	802,981	1,919,298
25-29	53,064	65,070	567,358	227,799	620,422	292,869	913,291
30-34	57,719	50,213	505,524	155,551	563,243	205,764	769,007
35-39	60,903	53,395	521,871	167,816	582,774	221,211	803,985
40-44	62,550	49,188	495,872	188,671	558,422	237,859	796,281
45-49	62,603	43,866	450,048	187,194	512,651	231,060	743,711
50-54	57,324	36,393	384,132	156,850	441,456	193,243	634,699
55-59	53,061	25,133	328,670	122,561	381,731	147,694	529,425
60-64	49,394	18,443	242,270	89,209	291,664	107,652	399,316
65-69	50,707	18,339	148,789	58,804	199,496	77,143	276,639
70 and over	63,717	28,644	150,273	89,245	213,990	117,889	331,879
Not stated	3,316	3,316	5,324	4,208	8,640	7,524	16,164
TOTAL	858,394	619,618	4,632,412	2,023,271	5,490,806	2,642,889	8,133,695

MISCELLANEOUS STATISTICS CONCERNING T1 RETURNS OF INDIVIDUALS
TAX YEAR 1967

	NUMBER OF RETURNS	AMOUNT \$000
No. of returns analyzed (See Note Below)	8,134,006	
Returns claiming refunds	5,343,310	485,688
Returns paid in full or declaring no tax	1,882,292	
Returns declaring amounts owing	908,404	175,147
Payments accompanying returns	1,909,579	436,986
Returns claiming deductions at source	6,867,522	3,684,960
Returns reporting instalment payments	381,092	433,615
Interest charged on short instalments	237,921	7,434
Penalties for late filing	62,066	652
Returns claiming Tax Adjustments	131,721	32,330
Returns claiming Dividend Tax Credits	504,445	105,429
Returns claiming Foreign Tax Credits	66,448	18,280
Returns claiming Prior Year Losses	5,994	13,289
Returns of immigrants	104,972	
Returns of emigrants	26,915	
Returns of deceased taxpayers	42,094	
Returns in the French language	1,634,699	
No return filed for previous year	701,172	

NOTE:

- Based on 100% analysis of 1967 returns processed to Dec. 31, 1968.

TAXABLE CANADIANS BY 89 SELECTED CITIES
TAX YEAR 1967

PLACE OF RESIDENCE	ORDER OF AVERAGE INCOME	NUMBER	AVERAGE INCOME	Total Income		Total Tax		
				TOTAL INCOME (in Millions)	PER CENT OF GRAND TOTAL	AVERAGE TAX	TOTAL TAX (in Millions)	PER CENT OF GRAND TOTAL
Alberni.....	5	8,543	6,106	52.2	.14	789	6.7	.16
Barrie.....	19	10,926	5,714	62.4	.17	698	7.6	.18
Belleville.....	43	13,711	5,365	73.6	.20	659	9.0	.22
Brampton.....	21	18,042	5,696	102.8	.28	780	14.1	.34
Brandon.....	79	11,800	4,863	57.4	.16	575	6.8	.16
Brantford.....	42	28,311	5,398	152.8	.42	711	20.1	.48
Brockville.....	28	9,280	5,557	51.6	.14	754	7.0	.17
Calgary.....	16	137,303	5,795	795.6	2.20	797	109.4	2.61
Cap de la Madeleine..	50	8,568	5,272	45.2	.12	323	2.8	.07
Charlottetown.....	88	7,708	4,618	35.6	.10	509	3.9	.09
Chatham.....	25	14,563	5,596	81.5	.22	745	10.9	.26
Chicoutimi.....	57	14,603	5,219	76.2	.21	326	4.8	.11
Corner Brook.....	23	5,697	5,609	32.0	.09	680	3.9	.09
Cornwall.....	61	15,631	5,118	80.0	.22	601	9.4	.22
Dartmouth.....	62	19,190	5,113	98.1	.27	579	11.1	.27
Drummondville.....	85	14,229	4,664	66.4	.18	288	4.1	.10
Edmonton.....	33	164,408	5,494	903.2	2.49	723	118.8	2.84
Ft. William-Pt. Arthur..	32	40,908	5,497	224.9	.62	690	28.2	.67
Fredericton.....	48	11,736	5,284	62.0	.17	689	8.1	.19
Galt.....	67	15,239	5,056	77.0	.21	624	9.5	.23
Granby.....	87	12,733	4,620	58.8	.16	292	3.7	.09
Guelph.....	44	23,647	5,333	126.1	.35	681	16.1	.38
Halifax.....	47	50,840	5,305	269.7	.74	672	34.2	.82
Hamilton.....	15	174,997	5,822	1,018.8	2.81	784	137.3	3.28
Hull.....	70	37,599	5,007	188.3	.52	345	13.0	.31
Jacques Cartier.....	84	17,880	4,706	84.1	.23	270	4.8	.12
Jonquiere.....	36	10,085	5,456	55.0	.15	323	3.3	.08
Kamloops.....	34	9,720	5,483	53.3	.15	690	6.7	.16
Kelowna.....	64	9,903	5,088	50.4	.14	585	5.8	.14
Kingston.....	40	30,308	5,414	164.1	.45	709	21.5	.51
Kirkland Lake.....	55	4,243	5,235	22.2	.06	587	2.5	.06
Kitchener-Waterloo..	37	70,281	5,448	382.9	1.06	723	50.8	1.21
Lethbridge.....	56	14,660	5,221	76.5	.21	630	9.2	.22
London.....	27	89,422	5,586	499.5	1.38	757	67.6	1.61
Longueuil.....	24	8,181	5,604	45.8	.13	417	3.4	.08
Medicine Hat.....	74	10,062	4,969	50.0	.14	542	5.5	.13
Moncton.....	76	21,960	4,895	107.5	.30	535	11.7	.28
Montreal.....	20	803,870	5,713	4,592.4	12.67	449	361.0	8.62
Moose Jaw.....	65	11,426	5,079	58.0	.16	609	7.0	.17
Nanaimo.....	10	10,193	5,918	60.3	.17	756	7.7	.18
New Westminster....	22	48,640	5,660	275.3	.76	720	35.0	.84
Niagara Falls.....	31	23,962	5,499	131.8	.36	674	16.1	.39
North Bay.....	39	15,064	5,435	81.9	.23	656	9.9	.24
Orillia.....	77	8,560	4,894	41.9	.12	529	4.5	.11
Oakville.....	1	19,084	6,927	132.2	.36	1,067	20.4	.49
Oshawa.....	14	36,227	5,833	211.3	.58	789	28.6	.68
Ottawa.....	7	157,291	6,037	949.6	2.62	852	134.0	3.20
Owen Sound.....	69	7,855	5,014	39.4	.11	595	4.7	.11
Pembroke.....	81	7,045	4,794	33.8	.09	536	3.8	.09
Penticton.....	58	6,034	5,195	31.3	.09	623	3.8	.09
Peterborough.....	26	23,162	5,589	129.5	.36	714	16.5	.39
Portage la Prairie....	89	4,788	4,182	20.0	.06	431	2.1	.05
Port Colborne.....	30	7,956	5,525	44.0	.12	657	5.2	.12
Prince Albert.....	49	9,018	5,277	47.6	.13	641	5.8	.14
Prince George.....	9	16,793	5,984	100.5	.28	807	13.6	.32
Prince Rupert.....	8	6,111	5,999	36.7	.10	857	5.2	.13
Quebec.....	41	120,932	5,409	654.1	1.80	391	47.3	1.13

TAXABLE CANADIANS BY 89 SELECTED CITIES – (Continued)
TAX YEAR 1967

PLACE OF RESIDENCE	ORDER OF AVERAGE INCOME	Total Income				Total Tax		
		NUMBER	AVERAGE INCOME	TOTAL INCOME (in Millions)	PER CENT OF GRAND TOTAL	AVERAGE TAX	TOTAL TAX (in Millions)	PER CENT OF GRAND TOTAL
Red Deer.....	60	9,924	5,130	50.9	.14	609	6.0	.14
Regina.....	46	53,568	5,312	284.6	.79	709	38.0	.91
Rouyn & Noranda.....	59	9,285	5,140	47.7	.13	336	3.1	.07
St. Catharines.....	11	44,378	5,908	262.2	.72	780	34.6	.83
St. Hyacinthe.....	86	9,576	4,624	44.3	.12	305	2.9	.07
St. Jean.....	71	9,654	4,980	48.1	.13	318	3.1	.07
St. Jerome.....	72	8,070	4,972	40.1	.11	339	2.7	.07
Saint John, N.B.....	80	31,240	4,796	149.8	.41	538	16.8	.40
St. Johns, Nfld.....	75	31,605	4,907	155.1	.43	604	19.1	.46
St. Thomas.....	66	12,557	5,073	63.7	.18	617	7.7	.18
Sarnia.....	2	26,811	6,472	173.5	.48	910	24.4	.58
Saskatoon.....	38	46,732	5,443	254.4	.70	731	34.1	.81
Sault Ste-Marie.....	17	26,562	5,785	153.7	.42	754	20.0	.48
Shawinigan.....	78	9,369	4,865	45.6	.13	289	2.7	.06
Sherbrooke.....	73	27,973	4,970	139.0	.38	327	9.1	.22
Stratford.....	63	10,174	5,090	51.8	.14	626	6.4	.15
Sudbury - Copper Cliff.....	4	46,635	6,239	291.0	.80	840	39.2	.93
Sydney-Glace Bay.....	82	29,396	4,783	140.6	.39	466	13.7	.33
Thetford Mines.....	51	6,255	5,262	32.9	.09	348	2.2	.05
Timmins.....	52	13,446	5,255	70.7	.19	615	8.3	.20
Toronto.....	13	920,466	5,858	5,392.0	14.88	864	795.7	18.99
Trail-Rossland.....	3	7,093	6,259	44.4	.12	810	5.7	.14
Trois-Rivières.....	54	19,542	5,245	102.5	.28	350	6.8	.16
Truro.....	83	6,420	4,735	30.4	.08	514	3.3	.08
Valleyfield.....	68	8,614	5,027	43.3	.12	324	2.8	.07
Vancouver.....	12	317,062	5,894	1,868.8	5.16	837	265.3	6.33
Victoria.....	35	69,955	5,472	382.8	1.06	685	47.9	1.14
Welland.....	29	16,662	5,555	92.6	.26	696	11.6	.28
Whitby.....	18	7,196	5,772	41.5	.11	769	5.5	.13
Windsor.....	6	80,335	6,084	488.8	1.35	802	64.4	1.54
Winnipeg.....	53	204,184	5,248	1,071.6	2.96	697	142.2	3.39
Woodstock.....	45	11,920	5,331	63.5	.18	668	8.0	.19

NOTES:

- TOTAL INCOME consists of net income from all sources before personal exemptions, pension contributions and standard or other deductions.
- TOTAL TAX consists of federal income tax, old age security tax and provincial income tax for all provinces except Quebec which levies its own income tax not reported here. The average tax is based on this figure. The averages and percentages shown for Quebec cities are less than for comparable cities in other provinces because they do not include the Quebec provincial tax.

TAXABLE ESTATES ASSESSED UNDER THE ESTATE TAX ACT
FISCAL YEARS 1966-1968

	1966	1967		1968	
	CANADIAN DOMICILED ESTATES	FOREIGN ESTATES	CANADIAN DOMICILED ESTATES	FOREIGN ESTATES	CANADIAN DOMICILED ESTATES
Number of Estates.....	5,673 \$000	1,595 \$000	6,184 \$000	1,563 \$000	6,688 \$000
Assets: (See Note below)					
Real Estate and Mortgages.....	187,581	7,965	212,859	4,814	241,672
Stocks and Shares.....	308,076	61,566	326,679	63,330	332,529
Bonds and Debentures.....	151,646	2,581	223,560	1,722	172,905
Life Insurance.....	72,988	57	80,620	16	88,390
Annuities, Pensions, etc.....	20,985	—	24,621	—	29,736
Cash, Interest in Businesses, etc.....	190,107	6,865	236,415	6,871	237,131
TOTAL.....	931,383	79,034	1,104,754	76,753	1,102,363
Debts and Quick Successions.....	38,904	682	41,083	255	49,455
Aggregate Net Value.....	892,480	78,353	1,063,671	76,499	1,052,908
Gifts to Charity.....	29,378	—	103,195	—	36,882
Other Exempt Property.....	486	—	540	—	972
Basic and Survivor Exemptions.....	293,420	—	321,665	—	349,195
Aggregate Taxable Value.....	569,176	78,353	638,271	76,499	665,859
Tax on Taxable Value.....	147,908	11,748	172,319	11,412	168,435
Credits for Provincial and Foreign Tax, etc.....	65,991	481	73,725	479	75,486
ESTATE TAX ASSESSED.....	81,917	11,267	98,594	10,933	92,949
					11,606

NOTE:

- ASSETS include only Canadian assets in the case of foreign estates.
- Figures for tax represent tax ASSESSED for the fiscal years shown. These will vary somewhat from the figures of tax COLLECTED in the same years.



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District Taxation Office Addresses

NEWFOUNDLAND

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165 DUCKWORTH STREET
ST. JOHN'S, NEWFOUNDLAND
TELEPHONE 726-5000

PRINCE EDWARD ISLAND
DOMINION BUILDING
QUEEN AND RICHMOND STREETS
CHARLOTTETOWN, P.E.I.
TELEPHONE 891-8535

NOVA SCOTIA
DOMINION BUILDING
1557 HOLTIS STREET
HALIFAX, N.S.
TELEPHONE 423-9282

FEDERAL BUILDING
DORCHESTER STREET
SYDNEY, N.S.
TELEPHONE 539-2150

NEW BRUNSWICK
NEW POST OFFICE BUILDING
CANTERBURY STREET
SAINT JOHN, N.B.
TELEPHONE 857-4011

QUEBEC
POLLACK BUILDING
750 CHAREST, BLVD. EAST
P.O. BOX 1787
QUEBEC, P.Q.
TELEPHONE 694-3326

FEDERAL BUILDING
50 COUTURE STREET
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SHERBROOKE, P.Q.
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